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**INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY
COUNTRY PARTNERSHIP FRAMEWORK**

FOR

**THE REPUBLIC OF MALI
FOR THE PERIOD FY16-19**

November 3, 2015

**Country Management Unit, AFCW3
Africa Region
The International Finance Corporation
The Multilateral Investment Guarantee Agency**

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The date of the last Interim Strategy Note (ISN) FY14-15 was May 20, 2013

REPUBLIC OF MALI - GOVERNMENT FISCAL YEAR

January 1 – December 31

CURRENCY EQUIVALENTS

(Exchange Rate Effective as of October 2015)

Currency Unit	=	CFA Franc
US\$1.00	=	FCFA 596

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AFD	Agence Française de Développement (<i>French Development Agency</i>)
API Mali	Agence de Promotion des Investissements (<i>Investment Promotion Agency</i>)
ASA	Advisory Services and Analytics
ASP	Adaptive Social Protection
ATT	Amadou Toumani Touré
BCEAO	Banque Centrale des Etats de l’Afrique de l’Ouest States (<i>Central Bank of West African States</i>)
BoP	Balance of Payments
CBO	Community Based Organization
CCT	Conditional Cash Transfer
CFAF	CFA Franc
CLR	Completion and Learning Review
CMDT	Compagnie Malienne pour le Développement des Textiles (<i>Malian Textile Development Company</i>)
COP21	Conference of Parties – United Nations Conference on Climate Change
CSO	Civil Society Organization
CPF	Country Partnership Framework
CPI	Consumer Price Index
CPIA	Country Policy and Institutional Assessment
CSCR	Cadre Stratégique Pour la Croissance et la Réduction de la Pauvreté 2012 2017 (<i>Strategic Framework for Growth and Poverty Reduction 2012 2017</i>)
DDR	Disarmament, Demobilization and Reintegration
DFID	The Department for International Development of UK
DPO	Development Policy Operation
EdM	Energie du Mali (<i>Mali Energy Company</i>)
EMEP	Enquête Malienne sur l’Evaluation de la Pauvreté (<i>Mali Poverty Survey</i>)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FSAP	Financial Sector Assessment Program

GDP	Gross Domestic Products
GoM	Government of Mali
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IBK	Ibrahim Boubacar Keïta
ICT	Information Communication Technology
IDA	International Development Association
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IMF	International Monetary Fund
IsDB	Islamic Development Bank
ISN	Interim Strategy Note
IT	Information Technology
JBP	Joint Business Plan
LSMS-ISA	Living Standards Measurement Survey – Integrated Survey of Agriculture
MDG	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MOU	Memorandum of Understanding
NLTA	Non-Lending Technical Assistance
OMVS	Senegal River Valley Development Organization
PAG	Government’s Action Plan
PCDA	Programme Compétitivité et Diversification Agricole <i>(Agricultural Competitiveness and Diversification Project)</i>
PFM	Public Financial Management
PPP	Public-Private Partnership
PRED	Emergency Recovery Plan
SCAP	Second Common Country Accompaniment Strategy
SCD	Systematic Country Diagnostic
SME	Small and Medium Enterprise
SMI	Small and Medium Industry
SOGEM	Société de Gestion de l’Energie de Manantali
SSN	Social Safety Net
TFSCB	Trust Fund for Statistical Capacity Building
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
USc	United States cents
USD	United States Dollar
WAAPP	West Africa Agricultural Productivity Program
WAEMU	West African Economic and Monetary Union
WBG	World Bank Group

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This document has benefited from extensive and thoughtful discussions with Malian counterparts under the leadership of the Minister for the Economy and Finance, Mamadou Igor Diarra.

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EXECUTIVE SUMMARY

- i. Prior to the political and security crisis of 2012, Mali — a large landlocked country in West Africa — already ranked among the poorest countries in the world. In early 2012, the vast northern regions fell under the control of extremist forces, while a coup d'état in Bamako threw the country into political instability and turmoil. A strong international military response in early 2013 prevented further destabilization, though part of the North remains outside government control and insecurity has spread to Bamako and the South. The signing of a peace agreement in June 2015 has revived hopes for peace and stability. The WBG has continued to support Mali throughout the crisis. An Interim Strategy Note (ISN, FY14-15) addressed the root causes of Mali's underestimated fragility, namely weak governance, extremely high demographic growth and the consequences of climate change. In addition, the ISN program was expanded to the benefit of national and regional resources, including the Sahel Program launched by the WBG President and UN Secretary General. The ISN program has contributed to restoring Mali's macroeconomic performance, as well as keeping government focused on pro-poor expenditures and maintaining momentum on governance reforms during times of crisis.

- ii. This CPF will continue to address the drivers of Mali's fragility, with a strong focus on governance, while building on the progress and experience of the ISN. Drawing from the recent Systematic Country Diagnostic (SCD) — which stresses the criticality of improving rural livelihoods to sustainable poverty reduction — the Framework intends to contribute to improving rural incomes by increasing productivity and resilience in the four livelihood zones of the country. Accordingly, the CPF proposes orientations for the WBG engagement around three areas of focus: (i) improve governance, by strengthening public resource management at central and local levels and fostering citizen engagement; (ii) create economic opportunities, by enhancing the productive capacity of smallholders, increasing agricultural value added and diversification to catalyze transformation, and improving basic services by developing infrastructure and connectivity; and (iii) build resilience, by developing human capital, strengthening safety nets, improving risk management mechanisms for the poor and vulnerable and mitigating climate shock. A comprehensive program has been proposed for the first two years of the CPF that includes knowledge activities and development policy operations to address the binding constraints to poverty reduction, as well as citizen engagement, investment financing, partner-funded and joint IFC/IDA investments and guarantees. Key areas include the reinsertion of ex-combatants, competitiveness and agricultural productivity, statistical capacity, climate change, water and sanitation, safety nets programs, energy, irrigation and transport.

- iii. Recognizing the risk of continued instability and insecurity in the North and the complexity of the policy and implementation actions demanded by the peace agreement, the CPF adopts an innovative approach to risk analysis and mitigation, while encouraging monitoring and supervision among beneficiaries to build a stronger demand for accountability. The program's impact could suffer from conflict-related risks, including a spread of conflict and violence and a consequent disruption to basic services access for populations in the North directly affected by the conflict. Risks of political and macroeconomic instability could impact government commitment to maintain security and increase resource transfers to the North, while a lack of progress in

implementing governance reforms could similarly hinder CPF objectives. To mitigate these risks, efforts to more regularly and systematically collect and assess information about the evolving conflict situation have already been put in place, with close cooperation with the UN and key partners. Implementation arrangements across the portfolio, relying on partners and remote supervision arrangements in insecure areas will support new results monitoring arrangements that directly engage beneficiaries via mobile surveys and citizen engagement techniques to ensure ongoing poverty monitoring and build demand for accountability. Governance reforms will be pursued through a combination of continued governance-focused operations, new poverty-focused DPOs that address key sectors in combination with investment operations and a new emphasis on decentralization.

I. INTRODUCTION

1. **This Country Partnership Framework (CPF) sets out the Bank’s proposed strategy in Mali for the period FY16-19.** The CPF supports the Government of Mali’s objectives for recovery in the aftermath of the 2012 political and security crisis; which are outlined in the third Growth and Poverty Reduction Strategy Paper (CSCR-3) for the period 2012-17. The CPF also supports the Government’s Action Plan (PAG) for the period 2013-2018. The PAG was confirmed in the General Policy Statement of the Government adopted by the National Assembly on May 7, 2014. The Bank Group and other partners convene regularly to ensure continued support and monitoring of PAG.

2. **Mali is a vast, landlocked and geographically diverse country, with a population of approximately 14.9 million people.** At a per capita GDP of USD 480 in 2012, Mali is one of the poorest countries in the world. The economy is predominantly rural and informal, with 73 percent of the population residing in rural areas and 80 percent of jobs in the informal sector. The country can be divided along a north-south axis, with large northern regions extending into the Sahara and Sahel and the South accounting for the majority of economic activity, as well as food and cash crop production, thanks to higher rainfall levels and more fertile land. Mali’s main commercial agricultural crops are rice and cotton. Farmers also produce significant quantities of millet, sorghum and maize, mostly for their own consumption. The formal sector is largely located in the capital, Bamako, and is highly concentrated. As few as 40 firms pay 80 percent of all formal private sector salaries. These firms operate in (gold) mining, telecommunications, cotton ginning, sugar manufacturing, banking and electricity generation.

3. **Prior to the political and security crisis of 2012, Mali had been successful in reducing poverty:** between 2000 and 2010, the incidence of poverty declined from 60 percent to 51 percent; the Gini coefficient also dropped during the same period from 0.40 to 0.33 and malnutrition rates improved. In the wake of the 2012 crisis, however, Mali is today one of the poorest countries in the world, ranked 176th on the 2015 Human Development Index, with life expectancy at a low 54 years and adult literacy at 34 percent, and high levels of malnutrition (28 percent of children under five are stunted).

4. **This CPF comes at a time of renewed hope for Mali despite continued and growing security concerns.** Peace talks between the Government and the Platform and Coordination Groups in the North resulted in an agreement signed on 15 May and on 20 June 2015, with the international community represented in the peace agreement implementation oversight committee. The agreement includes important provisions to strengthen decentralization and integrate former armed groups into Mali’s army. It is a promising development for the country and anticipates support from the Bank and other partners to identify immediate and longer term recovery and development priorities, as well as accompany their implementation.

5. **The CPF follows the Interim Strategy Note (ISN) for Mali which covered the period FY14-15.** The ISN was launched following the military coup in March 2012 and comprised short-term actions focusing on urgent needs, as well as long term initiatives aimed at scaling up efforts

to target the broader drivers of the crisis. The ISN program of non-lending, regional and national lending program was delivered on time and in full by the end of the ISN term in June 2015. In addition, Mali also benefited from several Sahel initiative regional lending operations and knowledge products over the ISN period.

6. **The ISN Completion and Learning Review (CLR) included in this document confirms the ISN's positive impact on Mali's recovery.** In particular, Bank Group's continued support helped maintain economic stability, attain improvements in budget transparency and set better standards for public procurement and financial management, as well as contributing to broadening access to water supply and rural electrification and maintaining access to schooling despite disruptions following the crisis. At the same time, the CPF highlights the need to adapt implementation arrangements to the context of the crisis. To address this key lesson learned, the CPF proposes to further tailor interventions to the geographic specificities of the different livelihood zones of the country; improve service delivery through the mainstreaming of safety net systems successfully established under the ISN; and mainstream social accountability mechanisms.

7. **The CPF is fully aligned with the findings of the Mali Systematic Country Diagnostic (SCD).** The SCD confirmed the relevance of the key drivers of Mali's fragility addressed by the ISN program and identifies three key binding constraints to poverty reduction and shared prosperity: (i) weak governance, (ii) low productive capacity of poor farmers and pastoralists, and (iii) exposure to uninsured risks. Based on Mali's own success in reducing poverty, the SCD identifies structural changes in cereal markets as a driver of poverty reduction due to higher output, higher farmer incomes and lower food prices. At the same time, transformation requires substantially improved human capital, contained demographic growth and reduced gender inequalities. Above all, security and trust in the state must be re-established and maintained.

8. **The CPF comprises three areas of focus.** The first overarching area of focus is to further improve governance at the central and local levels as a condition to re-establish trust in the Malian state across its territory. The second area of focus is to boost productivity, develop value chains in the agricultural sector and impact poverty, and create the conditions for enhanced economic performance. The third area of focus is to build resilience and human capital to help plan for, and mitigate and cope with uninsured risks. Re-establishing security is the necessary condition to pursuing Mali's objectives of poverty reduction and economic transformation.

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

A. Social and Political Context

9. **The Fragility Assessment, updated for this CPF, confirms that Mali's fragility has deep roots in the country's governance. As recognized in the SCD, corruption underlies low levels of public service provision in Mali.** This explains the persistence of policies that favor the rich and urban classes while maintaining low levels of educational attainment, an adverse business environment, weak management of public finances, inadequate public oversight, poor-quality

statistics and, finally, failed decentralization. Weak governance mechanisms affect resource allocation across a range of areas, from land to financing for irrigation to the business environment.

10. **The ongoing conflict in Mali is a manifestation of these long-standing challenges in addressing governance and social problems, as noted in the ISN Fragility Assessment, updated for this CPF.** The causes of the conflict are diverse and multi-layered and do not fit the simplified narrative of an under-served region populated by a frustrated ethnic group that has been vying for self-determination since the country's independence. What drives conflict in Mali today can be traced to a breakdown in the social contract, growing competition over resources (public funds as well as illicit rents), weak institutions, inequality and underlying social tensions. These drivers are exacerbated by climate change and population growth, which have put people's livelihoods under stress, as well as increasing access to arms, raising the incidence of illicit rent-seeking opportunities and maintaining persistently-high levels of youth unemployment, an easy feeder into the informal economy.

11. **The political and security situation has been particularly volatile in recent years.** In early 2012, there was a military coup and occupation of the northern regions by rebel and criminal groups, followed by the rapid deployment of French-led military forces in January 2013, which was succeeded by the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) mission in July 2013. In 2014, the French reorganized their anti-terrorist interventions in the Sahel, establishing the Barkhane operation headquartered in N'Djamena (Chad). Presidential elections were held peacefully over two rounds in July and August 2013, recording a high turnout of 49 and 46 percent of eligible voters.

12. **Profound challenges remain.** The Fragility Assessment updated for this CPF confirmed the drivers of Mali's fragility: growing insecurity, rapid demographic growth that limits gains from the demographic dividend and reduces the impact of poverty-reducing measures, limited agricultural transformation and the impact of climate change on agricultural productivity, food insecurity and migration. Low-capacity institutions, finally, have led to suboptimal fiduciary systems and widespread insecurity in the North of the country in particular, delaying program implementation, especially in the North.

13. **Above all, governance is weak.** Between April and November 2014, the IMF program and budget support operations by all donors were suspended as a result of the off-budget purchase of a presidential plane and opaque military contracts. Priorities going forward include the need for a cohesive government response to the crisis, prioritization of the recovery, renewed efforts to reduce widespread poverty and an urgent need to strengthen public sector management, transparency and accountability, including civil society and external control agencies to further improve the governance of public resources.

14. **Peace negotiations between government and two rebel coalitions (the "Platform" and "Coordination" groups) concluded with the signing of an agreement on 15 May, 2015 by both the government and the Platform Group, and the government and the Coordination Group on 20 June, 2015.** While the new agreement does not envisage an autonomous status for the Northern regions, it gives stronger impetus to decentralization, affording a critical role to regions,

and established the creation of a Development Zone of the Northern Regions, with string support from partners. Its implementation, however, remains challenging. Violent and extremist groups continue to control vast areas of Malian territory, and have recently launched attacks in the far south close to the border with Côte d'Ivoire. A long-term engagement to address Mali's fragile governance is therefore necessary to ensure a durable peace and avoid new crises in the future. The number of internally-displaced migrants and refugees has increased from 57,000 to 100,000 as a result of renewed fighting in the North in May 2015, in addition to around 135,000 Malian refugees in Mauritania, Niger and Burkina Faso, up from around 100,000 at the end of 2012.¹

15. The signing of the peace agreement has created the minimum conditions for the Malian authorities to address the challenges of poverty reduction including in the North. Yet security, critical to ensuring economic recovery and poverty reduction, remains volatile. Negative repercussions for those living in the areas most affected by the conflict have included suspension of basic service delivery, limited teachers' presence, as well as limited emergency assistance delivery. Any meaningful return of government presence and capacity to deliver services, an essential component of restoring state legitimacy and consolidating the path towards lasting peace, will likely depend for the foreseeable future on a continued international peacekeeping presence and sustained support for development efforts. The government will also have to contend with a rapidly changing socio-economic environment in the north, due to a combination of criminal and terrorist networks, a breakdown in traditional authority and a rising level of social and inter-communal tension.

16. High levels of population growth present a significant economic and social challenge. Mali has one of the highest fertility rates in the world with 6.9 children per women leading to an exceptionally high rate of population growth of 3.0 percent. This growth is expected to continue, given the country's young age structure (68 percent of Malians are under the age of 24), low levels of (female) education and low levels of contraceptive use. The age-dependency ratio is among the highest in Africa and represents a heavy economic burden on active adults, the labor market will need to absorb 6.2 million new workers between now and 2025 (over 250,000 annually), and the total population will almost double between now and 2030. This will put significant pressure on basic infrastructure and social services, as well as on the limited amount of water and arable land that is available.

17. Lack of skills and low quality or lack of jobs for young people are both a social and a security issue. More than 70 percent of Mali's huge youth population between the ages of 15 and 24 years old left school by 2010 with very limited qualifications and skills for employment. The vast majority of these young people (over 90 percent) are employed in generally low productivity/quality jobs in the informal agricultural and service sectors. A significant percentage of them are also unemployed or inactive (about 20 percent). The number of unemployed and disenfranchised young people is likely to have increased (updated employment data on the whole country is pending) as a result of recent disruption to educational institutions, as well as the worsening economic context since 2012. If not addressed quickly, pressure from Mali's youth

¹ UNHCR, June 2015.

unemployment question will continue to pose a major development and security challenge to the country.

18. **Opportunities for effective public management and public accountability are limited by the poor quality and inadequate dissemination of statistics.** The available poverty surveys are not comparable over time and do not comprise information on how (poor) households generate their income. Information on agriculture is largely lacking, or grossly inadequate. Few trained statisticians are employed at the Institute of Statistics and, although Mali ranks above the African average on the Statistical Capacity Building index, it is amongst the worst performers in terms of offering data access.

B. Recent Economic Developments

19. **Since 2011, economic growth has been positively influenced by several exogenous shocks.** Mali's steady state growth rate has been revolving around 4.5 percent in the last decade, driven by rapid growth in labor supply, urbanization (along with informal sector and tertiary sector development), extensive agriculture, public investment and gold activities. The structure of GDP has remained relatively stable since 1990 with the primary (agriculture, gold) and tertiary sectors (trade, transport and public administration) each contributing 35-40 percent to GDP and the secondary sector making up the balance. Mali's industrial sector is tiny (4 percent of GDP) and consists largely of privately owned small enterprises and a few large enterprises (cotton milling, electricity, and mining).

20. **However, economic growth often deviates from this steady state trajectory as a result of climatic, political and price shocks.** Economic activity was significantly affected by the low rainfall recorded in 2011 and 2013, though it benefited from exceptionally favorable climatic conditions in 2012 and a return to average rainfall in 2014. Insecurity and political instability have generated ample domestic output fluctuations. The 2012 crisis, in particular, led to a sharp drop in GDP growth as a result of infrastructure destruction, population outflows, suspension of economic activities and a collapse in aid and tourism. The mitigation of security tensions and the progressive restoration of constitutional order in 2013 allowed a rebound in aid following the Brussels donor conference, which assisted the country in its recovery by fueling public investment. The country's growth path is also affected by terms of trade variations, which have been positive over the past few years, owing to higher prices of gold from 2011 to 2013 and lower prices of oil in 2014. All in all, the GDP growth rate slumped from 2.7 percent in 2011 to 0.0 percent in 2012, followed by a slight upward trend of 1.7 percent in 2013 before accelerating in 2014 to 7.2 percent, mainly due to catch-up effects.

21. **Except for 2012, consumer price inflation has remained below the West African Economic and Monetary Union's (WAEMU) convergence criteria of 3 percent in recent years.** This trajectory was mainly influenced by food supply and domestic demand dynamics, hence the sharp increase of 5.3 percent in the 2012 CPI, stemming from low domestic food supply in the first months of 2012 following a poor harvest in 2011. By contrast, consumer price inflation was negative in 2013 (-0.6 percent), a consequence of the exceptional harvest of 2012 combined with ample food aid, limited banking credit to the economy and a low utilization rate of productive

capacities. The CPI, however, rebounded again to a moderate 1 percent in 2014, reflecting the upturn of final consumption spurred by resumed donor support and the rise of imports prices following the CFA Franc's depreciation against the US dollar.

22. **Overall, the balance of payments has remained stable.** The current account is structurally in deficit and amounts to a relatively high share of GDP.² Taking into account official transfers, the deficit shrunk from 6.1 percent in 2011 to 2.6 percent in 2012 as a result of the economic slowdown and rebounded to 3.4 and 7.3 percent of GDP respectively in 2013 and 2014 as a result of soaring imports and sluggish exports. The sustained expansion of import demand was fueled by the economic recovery through greater final consumption and gross fixed capital formation, while the stagnation of exports primarily arises from the fall in gold prices; as gold is among the country's major exports. Nonetheless, the large current account deficits incurred by Mali have been covered by net inflows of budgetary and project-related official disbursements, as well as foreign direct investment. In order to finance the overall balance of payment deficit (standing respectively at 0.9, 1.3 and 2.8 percent of GDP in 2012, 2013 and 2014), the government has usually drawn on the central bank's net foreign assets, which still stand above the precautionary level of three months' worth of imports.

23. **The fiscal stance has proved to be pro-cyclical over the past few years.** The fiscal deficit systematically widened in faster growth periods and receded during downturns or slowdowns, thus reflecting the lack of fiscal space to subdue economic external shocks. In 2012, the government strived to match lower revenues and financing options with lower spending, limiting the deficit (on a cash basis) to 1.6 percent of GDP while preserving pro-poor expenditure (agricultural campaigns) and other priority expenditures (electricity supply – even if subsidies to these sectors are untargeted), and maintaining little external arrears accumulation with the view to facilitate the resumption of official development assistance. In 2013 and 2014, the budget benefited from the resumption of aid, as well as from improved revenue collection as economic activity rebounded in the secondary and tertiary sectors. The government used this fiscal space to clear some domestic arrears, restart investment projects which had been interrupted in 2012, rehabilitate damaged infrastructure and address crisis-related emergencies, including the organization of national, presidential and legislative elections. Nevertheless, the deficit widened in both years to 2.9 percent GDP, despite the economic recovery. This shortfall stems from a weak performance in indirect tax collection and increased transfers and subsidies, as well as capital expenditures and off-budget expenditure, including in the defense budget, leaving few resources for investment and fiscal buffers.

24. **The external risk of debt distress remains moderate.** The external debt ratio has grown slightly from 24.4 percent of GDP in 2011 to 28.6 percent in 2014, as a result of fiscal policy. Debt sustainability remains sensitive to potential tightening of financing terms, as well as a reduction in

² Official balance of payments data may not fully reflect the extent of trade activities, given the sizeable magnitude of informal trade in livestock and cereals (notably towards Senegal and Cote d'Ivoire), as well as in petroleum and manufactured products (particularly from Algeria).

transfers and foreign direct investment and export shocks stemming from the concentration of exports in gold.

25. **The macroeconomic outlook appears nevertheless positive.** Favorable external factors such as a low CFA exchange rate and declining oil prices are expected to be growth conducive. After peaking at 7.2 percent in 2014, GDP growth should progressively return to steady state. The main drivers of domestic activity over the next three years are expected to be the primary and tertiary sectors. However, Mali will continue to be exposed to security and climatic shocks, with limited space to mitigate them, except through cuts in public investments in the context of the WAEMU monetary union. In a low equilibrium where stability is gained at the cost of foregone public investments, increasing resource mobilization, notably through the removal of inefficient tax exemptions and untargeted subsidies, is the only option to build-up stabilization buffers. Recent oil price declines provide the opportunity to reduce petroleum product and electricity subsidies.

26. **Seizing Mali's long term growth potential through economic transformation will require a gradual expansion of the productive sectors of the economy.** Mali's economy remains dominated by the primary sector, as reflected in the country's low ranking on the economic complexity index, 102nd out of a total of 128 countries,³ which indicates that the economy is only capable of producing mostly basic products.⁴ Prospects for rapid structural transformation are limited. Indeed, limited progress recorded in structural transformation in Sub-Saharan Africa in recent years points to the need for some pre-requisites,⁵ including the realization of significant productivity gains in agriculture; a flexible labor market and minimum education to adapt to new sectors; and favorable conditions to trade and investment (notably an under-valued currency, low transport costs and a good investment climate that includes efficient enabling services, such as electricity supply). In preparing the ground for medium term structural transformation, Mali will first need to explore the prospects for growth within existing sectors and try to expand towards products that are relatively low in economic complexity and close to what is already being produced. In addition, there are opportunities to capture a larger share of the market for products whose economic complexity is also relatively low and where Mali has the highest potential: particularly in exports of cereals, tropical fruits, fish and cotton. By gradually expanding the complexity of products that are produced and by improving human capital and connectivity in general, productive knowledge will be expanded and the foundation for economic transformation laid.

³ Haussmann and Hidalgo (2008): a country should seek a development path that builds on the knowledge captured in its existing product mix and aim to increase the complexity of its production.

⁴ Reflective of the modest prospects for structural transformation is the low total factor productivity growth registered since 1990, of 0.9 percent per annum.

⁵ World Bank (2012), "Structural Transformation and Rural Change Revisited: Challenges for Late Developing Countries in a Globalizing World", Washington D.C.

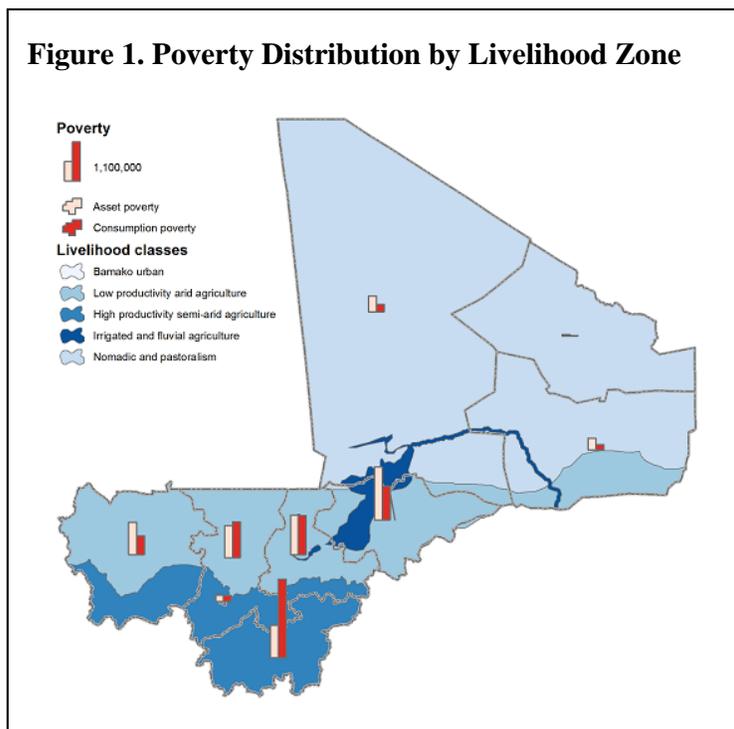
Table 1. Mali: Selected Economic and Financial Indicators, 2013-18

	2013	2014	2015	2016	2017	2018
National income and prices	(annual percentage change)					
Real GDP	1.7	7.2	5.0	5.0	4.5	4.5
GDP deflator	1.2	1.4	2.7	2.3	2.4	2.5
Consumer price inflation (average)	-0.6	0.9	1.9	2.9	2.6	2.6
Money and credit a/						
Credit to the government	-2.7	0.8	5.9	4.9	2.7	0.4
Credit to the economy	7.5	12.4	5.0	4.7	5.5	7.3
Broad money (M2)	7.4	7.1	12.8	10.7	9.4	9.1
Investment and saving	(percent of GDP unless otherwise indicated)					
Gross domestic investment	20.2	25.0	31.1	34.3	34.7	35.0
Of which: government	7.4	7.7	9.7	9.8	9.5	9.2
Gross national savings	16.2	17.7	27.2	28.9	28.4	28.8
Of which: government	3.1	0.8	1.4	1.1	1.3	1.6
Gross domestic savings	0.6	4.4	15.5	18.1	18.0	18.8
Central government finance						
Revenue	17.3	17.6	19.0	19.5	20.0	20.3
Grants	3.6	2.6	4.4	2.7	2.7	2.7
Total expenditure and net lending	23.8	23.8	26.6	26.7	26.5	26.2
Overall balance (cash basis, including grants)	-2.9	-2.9	-5.0	-4.5	-3.8	-3.0
Basic fiscal balance (WAEMU def.)	-0.8	-1.5	-0.8	-1.5	-0.7	0.0
Domestic debt (end period)	5.8	8.6	8.1	8.4	8.4	8.4
External sector						
Current account, including official transfers	-4.0	-7.3	-3.9	-5.4	-6.3	-6.2
Current account, excluding official transfers	-17.9	-18.1	-13.0	-13.4	-13.8	-13.2
Exports of goods and services	28.9	25.8	25.7	24.6	23.7	23.3
Imports of goods and services	48.5	46.4	41.3	40.8	40.4	39.6
Debt service to exports of goods and services	2.4	3.6	6.6	4.0	4.3	4.3
External debt (end period)	24.9	28.6	28.8	29.0	29.4	29.8
Terms of trade (percent, deterioration -)	-18.4	-7.8	13.3	-4.2	0.7	0.0
Memorandum items:						
Nominal GDP (CFAF billions)	5,484	5,970	6,435	6,918	7,434	7,960
Overall balance of payments (US\$ millions)	-174	-353	36	10	21	35
Gross International reserves (US\$ millions) b/	1,419	874	852	860	909	949
in percent of broad money	36.8	23.5	22.6	22.6	21.3	20.2
US\$ exchange rate (end of period)	478.7	532.3				
Gold price (US\$/fine ounce London fix)	1,411	1,266	1,183	1,165	1,176	1,198
Petroleum price (crude spot, US\$/bbl)	104	96	56	60	63	67

a/ (contribution to broad money growth); b/ imputed reserves at BCEAO. Source: IMF August 2015.

C. Poverty Profile and Trends

27. **Poverty remains a daily challenge for the majority of Malians.** Over 51 percent of the population lives in poverty and 90 percent of poor people live in rural areas, relying on rain-fed agriculture and on agro-pastoralism to make a living. Irrespective of the measure used (asset poverty or consumption poverty), the vast majority of the poor live in the south of the country where population density is highest (Figure 1). The proportion of the poor living in the North is small (due to low population density), though the incidence of poverty is high (in fact, if asset poverty is used as a measure of poverty, the incidence of poverty is highest in the North). The incidence of



poverty is lowest in Bamako (7.6 percent), where an estimated 2 million people live. Nevertheless, the poverty rate in Bamako is lower than the North's, where less than 1 million people live.

28. **Mali was quite successful in reducing poverty in the early 2000s, but poverty reduction has stagnated since 2006.** Between 2000 and 2010, the incidence of poverty declined from 60 percent to 51 percent, while the Gini coefficient also fell during the same period from 0.40 to 0.33. Meanwhile, ownership of consumer durables increased and malnutrition rates improved. Between 2001 and 2006 in particular, poverty declined rapidly as per capita consumption increased for rich and poor alike. By contrast, however, between 2006 and 2010, only the very poorest experienced positive consumption growth while few were actually lifted above the poverty line. The middle class did not benefit from growth and per capita consumption for those in the top 30 percentile declined. Little is known about what happened to poverty post-2010. Estimates from a general equilibrium model of the economy suggest consumption declined by 2 percent between 2011 and 2012 as a consequence of the conflict and the 2011 drought. Rapid population growth also contributed to an increase in the absolute number of the poor from 7.8 million in 2010 to 9.1 million in 2015.⁶

29. **Mali's poor are highly vulnerable to shocks.** Poor households depend on rain-fed subsistence agriculture and have limited means to protect themselves against shocks. Exposure to

⁶ The EMOP data for 2012 are preliminarily.

drought and shocks affecting productive assets and output (theft, illness, crop pests, animal diseases, climate variability) lead to major welfare crises.⁷ Households are also exposed to significant health risks. To deal with these shock families opt for low risk-low return activities (such as growing millet and sorghum) and rely on a range of largely informal, sub-optimal coping mechanisms such as high-interest borrowing, rescheduling of or defaulting on existing loans, reductions in consumption, sale of household and productive assets (sometimes at highly reduced prices), withdrawal of children from school and, where possible, reliance on family and community support. Poor households are most vulnerable when food prices rise and casual labor opportunities are absent⁸. For pastoralists, the worst possible combination is one of falling livestock prices and rising food prices — a combination that occurs when both drought and conflict affect an area.

30. **Education and health outcomes are very poor.** Mali ranks 176th on the 2015 Human Development Index and is one of the three poorest countries in the world according to the multidimensional poverty index. At 540 per 100,000 and 123 per 1,000 respectively, Mali is a country with one of the highest maternal and child mortality rates. The country also faces an extremely high rate of adolescent fertility, with 169 children are born to every 100 young women under 20. Nearly a third of children under five are stunted and only in a third of the cases of illness do Malians receive medical care. Education outcomes are surprisingly low, with nearly seven out of ten school-age children and adolescents are out of school. Only 36 percent of the population is literate and the average schooling level among working adults is less than 3 years.

31. **While human capital indicators are low for the Malian population in general, they are worse for women.** Analysis presented in the 2012 World Development Report estimates that gender inequality accounts for around 20 percent of total inequality in educational outcomes, with female to male enrollment ratios of only 88 percent and 72 percent for primary and secondary enrollment respectively. Women face distinct health challenges, though the maternal mortality rate has been decreasing, institutional deliveries are still extremely low and only 28 percent of births to women in the poorest quintile took place in a health facility. Widows are a particularly vulnerable group. Recent research shows that while female-headed households are 15 percent poorer than male-headed households, this difference is entirely accounted for by marital status, rather than female headship per se, with widowhood causing many women to fall deeper into poverty⁹. This partly reflects the fact that women's rights in Mali are dependent on men. For example, women's access to land tends to be gained through use rights during marriage, with husbands remaining the sole owners of family property. When a husband dies, only 40 percent of widows receive any assets.

32. **A survey amongst internally displaced people, refugees and returnees found that *better educated and wealthier* households, as well as those exposed to *less violence*, fled the crisis, suggesting that poorer and less well-educated households remained behind.** Those who

⁷ World Bank 2011. La Problématique de la Santé et de la Pauvreté au Mali.

⁸ See Nouve and Wodon (2008) on the impact of the 2008 rice price increases on poverty in Mali.

⁹ Van de Walle, 2011.

fled the crisis lost significant amounts of durable goods (20-60 percent) and animals (75-90 percent) and welfare declined considerably. Yet over time, the impact of the crisis has diminished. By February 2015, most eligible children were going to school and employment levels and number of meals consumed were at pre-crisis levels. The survey of displaced people did not collect information on the welfare of those who did not flee. Given that they were poorer and less well educated, and therefore more vulnerable and exposed to the full impact of the crisis, the welfare consequences for this group may well have been more substantial than on the displaced. A baseline survey which will be carried out in the North following the signing of Peace Accord will assess the impact of the crisis on the non-displaced¹⁰.

D. Drivers of Poverty and Development Challenges

33. **The SCD presents a comparison of the best-off and poorest rural households, which facilitates the identification of critical drivers of poverty reduction.** Poor households are found to lack the ability to cultivate substantial areas of land. Even though land is often available, poor households do not own traction animals and can't afford to purchase plowing services. As a consequence, the poorest rely on family labor to cultivate their land and, since cultivation using the hoe is labor-intensive, they tend to cultivate small plots on which they mostly grow drought-resistant cereal crops (millet, sorghum, maize, and rice). Individual production is typically insufficient to sustain families in the poorest quintile, implying that the poorest purchase a large share of their consumption and are forced to complement their farm income with cash earned through casual labor and self-employment. This stands in contrast to better-off rural households who own draft animals, hire casual labor, consume largely what they produce and whose main source of income comes from their farm.

34. **Unsurprisingly, increased food grain production was found to be a main driver of poverty reduction.** Starting in 2000, following the liberalization of the cereal market in the 1990s, food grain production (maize, rice, millet, sorghum) increased rapidly. The SCD associates this increase with the decline in poverty observed between 2001 and 2010, arguing that increased food grain production benefited poor households through at least three different channels: (i) an increase in income as a direct result of increased production, (ii) a reduction in food prices and (iii) increases in demand for casual labor from better-off households. Increased remittances, additional off farm labor opportunities (artisanal gold mining) and improved infrastructure have also been identified as drivers of poverty reduction in the early 2000s.

35. **Enabling poor households to produce more, particularly cereal crops, is an important driver of poverty reduction.** In areas where land is still relatively abundant (the semi-arid zones in particular), the SCD argues that enabling poor households to increase their production (in part

¹⁰ Respondents from the displaced people survey receive monthly follow-up interviews via mobile phone. It allowed the Bank to closely monitor the impact of conflict. A kind of high frequency monitoring has been done, which, during the CPF period, will be expanded spatially. All of Mali's territory will be covered. In addition, the same approach will be used to collect regular direct beneficiary feedback from selected projects.

by cultivating larger areas) is an effective poverty reduction strategy. In areas where land scarcity is higher (the more fertile southern regions), meanwhile, increasing land productivity should be the priority.

36. Women in Mali are concentrated in food crop production while men dominate cash crops. Malian women are largely excluded from the ownership of profitable cattle and are instead concentrated in small-scale animal husbandry and the processing and selling of fish. Women are also active in milk marketing, the processing of milk into yoghurt, cream, cheese and the processing of hides and skins into handicrafts. Women spend more time on domestic chores – over three hours per day, compared to 35 minutes for men. Consequently, women spend two times less than men on market based activities. It is likely that even within the same activities, women are less productive than men. Research in Niger, for example, finds that plots managed by women are 19 percent less productive than those managed by men. Most of this gap is explained by women’s lower access and returns to adult male labor, lower use of fertilizer and their lower incidence of land tenure.¹¹ Policies that enable women to devote a larger portion of their time to working on their plots and supervising hired labor, such as community-based child care, should be explored. The high value impact of gender approaches would benefit Mali, but it requires bolder political commitment. Broader policy reforms to expand women’s land rights and formally documenting their land claims should be considered.

37. Improvements in human capital are strongly associated with higher levels of welfare, particularly in rural areas. Recent data shows that consultations in health care facilities are associated with increases of about 20 percent in household consumption levels in Mali, pointing to the beneficial effect of preventive health care on productivity. Education also has a key role to play for poverty reduction. International and national estimates suggest that each additional year of education in Mali increases earnings by about 6 to 7 percent. Completing primary school is a consistently significant predictor of higher earnings in the agricultural sector (by about 40 percent) and being literate is associated on average with a 40 percent increase in consumption in rural areas. In addition, judging from their returns, technical and vocational training and post-secondary education for wage workers in agriculture could greatly improve productivity and earnings within this sector. Finally, there is evidence of a strong interplay between health, nutrition and education in Mali.

38. Poverty is aggravated by low efficiency and quality of services. Low levels of human capital affect all Malians and the poor in particular. Mali’s extremely weak human development situation is a reflection of constraints in accessing educational and health care services, as well as of the quality of these services and the efficiency with which they are delivered. Of every 100 children that are eligible to go to school, 63 actually do. Of the 41 that reach grade 5, only 5 (13 percent) are able to analyze a text in French and express themselves in writing.¹² Human resources are poorly allocated across urban and rural areas and only a fraction of the initial spending in

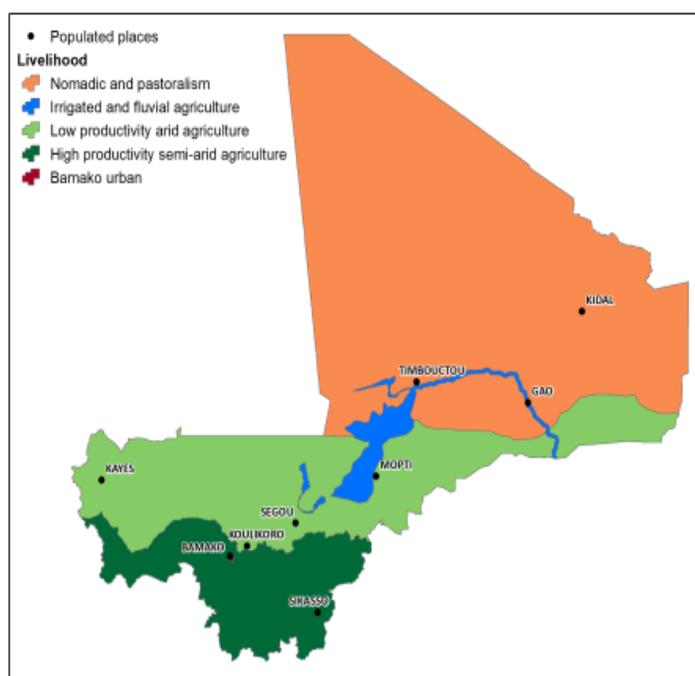
¹¹ Backiny-Yetna and McGee, 2014.

¹² The results for mathematics are even more concerning. Program for the Analysis of CONFEM Education Systems (PASEC) in 2012/13.

education and health reaches the final providers. These issues need to be addressed as they could represent both short and long-term gains to the country.¹³ In the short run, they increase the resilience and productivity of households; and a well-educated and healthy labor force in the long run presents the best opportunity to put a landlocked country like Mali on a path of sustained income growth and poverty reduction. A better-educated population – and particularly better-educated girls - would also help address Mali’s high levels of fertility.

39. **High population growth appears to be linked to limited awareness about family planning.** Contraceptive prevalence is very low, especially among the poor, with only 3 percent of women from the poorest households reporting use of a modern method, compared to 23 percent of those from the richest households. The most common reasons that women cite for not using contraceptives relate to demand-side issues, including opposition to use by the respondent (22 percent) and the respondent wanting more children (18 percent). Several sources also suggest that adequate family planning supplies and personnel to distribute contraceptives, in particular in rural areas, are still lacking highlighting the importance of better organization and wider availability of family planning services.

Figure 2. Mali's Livelihood Zone



40. **According to the SCD, a combination of 2 percent per capita GDP growth and a well-targeted safety net of 2 percent of GDP could significantly reduce poverty.** In the face of climate and security shocks, poverty traps and limited access to financial instruments, social safety net programs can play an important role in enhancing household resilience and productivity. Unfortunately, Mali’s embryonic social safety net programs is not effective. Most social safety nets are concentrated in food support, which is not specifically targeted towards the poor. Cash transfers programs are implemented on a limited scale and public works programs are only used in response to crises, while asset transfer programs (or service voucher

programs) do not exist at all. Existing safety net programs should be overhauled; cash transfers and other well-targeted social safety net systems could combine with other programs to directly

¹³ The CPF draws its analysis from the African Development Bank’s Country Gender Profile (2011) and the World Bank’s Poverty and Gender Notes (2013), in fulfillment of OP/BP 4.20.

reduce poverty. These could include labor-intensive public works and income-generating activities to increase household productivity. In addition, resilience approaches could be built in response to climate variability within development programs, particularly in the agricultural sector, water management sector and biodiversity conservation.

41. **Electricity is closely associated with higher living standards and opportunities for transformation.** Mali ranks low on the Getting Electricity indicators of the Doing Business ranking 2015 (151 out of 189 economies). Better and more reliable access to electricity is critical to inclusive services. Electrification can also raise productivity and income for small entrepreneurs. Due to the low population density in Mali, expanding the national electricity grid to reach a larger population would require considerable investments in transmission and even more in distribution. Rural mini-grid and solar powered lighting products are supported by the WBG as an alternative solution for providing access to modern energy services.

E. Opportunities for Poverty Reduction

42. **The SCD identifies three main drivers of poverty reduction and shared prosperity enhancement:** (i) peace, stability and selected governance reforms, (ii) productivity increases of staple crops and agricultural value chain diversification; and (iii) improved human capital and reduced vulnerability. The binding constraints assume different dimensions in the different livelihood zones of Mali. The SCD identifies four different socio-economic zones in Mali (Figure 2): (i) the nomadic and pastoral areas in the North; (ii) the zone with irrigated and fluvial agriculture; this zone cuts south-north from Mopti to the Niger River delta, but also includes the Senegal river in the west of the country; (iii) the low productivity arid agricultural zone which stretches east-west from Kayes to Mopti to the border with Niger south of Gao, and which includes Koulikoro in the south; and (iv) the high productivity semi-arid agricultural zone, covering the southern regions including the area around Bamako and the more productive area of Sikasso. Finally, the urban area of Bamako can be treated as an economic development center of its own.

43. **Each of the livelihood zones offers specific challenges and opportunities and demands targeted interventions.** Increased food crop production on farm and better-functioning value chains for food grains can be a driver of poverty reduction in the short run, particularly in the south, as much as it was in the early 2000s. Meanwhile, agricultural diversification and value addition can drive economic growth and poverty reduction, especially in high productivity areas and irrigated zones. Investments in processing, packaging, and marketing will help farmers reach local and international markets. These value chains will provide the opportunity to create jobs, target women, and promote dietary diversity.

44. **The main opportunities for poverty reduction in the short run lie in the development of selected agricultural value chains.** There is significant demand for increased food and meat production and the country has potential to further develop the horticultural markets. Rapid urbanization, which will drive demand for more processed food and value addition in the higher segments of production in a region with a structural food deficit, will ensure a positive response to increases in agricultural and livestock production, Mali's location also presents a comparative advantage, as transport costs to serve the markets of Niger and Burkina Faso are lower than those

incurred by overseas producers. To take advantage of this potential, however, the value chains of these crops will need to be further developed. The value chains for fruits (mango, papaya), vegetables (shallot, onion, potato) and other cash crops such as cotton have already demonstrated their competitiveness in domestic and international markets. To expand these value chains, consolidation, expansion and moving towards higher value added products constitute the main challenges.

45. **To facilitate a process of economic transformation in the long run, Mali will need to address its low levels of human capital.** Human capital is arguably the most important driver of economic development and an improved human capital base is a pre-condition for economic transformation in Mali. Improved levels of educational attainment will bring numerous knock-on benefits which will promote growth and development, particularly if this fosters improvements in governance and reductions in fertility which, in turn, would result in increased factor productivity growth, lower dependency ratios, higher saving rates and a demographic dividend. Strengthening human capital, especially in health and education, will bring short term benefits from poverty reduction as well. Since initial growth in productivity will need to come from the agricultural sector, farmers' health is highly relevant to economic growth, particularly in subsistence agriculture, as households usually have difficulty replacing labor lost to sickness.

III. WORLD BANK GROUP COUNTRY PARTNERSHIP FRAMEWORK

F. Government's Program and Medium-Term Strategy

46. **The Strategic Framework for Growth and Poverty Reduction (CSCR 2012-2017), adopted by the Council of Ministers of Mali on 28 December 2011, is the reference document for the formulation and implementation of economic and social policies.** It was developed through broad dialogue between the administration, local elected officials, civil society, the private sector and donor partners. Its overall objective is to accelerate the implementation of the Millennium Development Goals (MDGs) through an inclusive development based on the reduction of poverty and inequality. This vision is built around two prerequisites: strengthening peace and security, and consolidating the stability of the macroeconomic framework; and three strategic axes: (i) promotion of an accelerated, durable and pro-poor growth generating job creation, (ii) strengthening the foundations of long-term development and equitable access to social services of quality, and (iii) institutional development and governance.

47. **Following the political and security crisis of 2012-2013, the Transition Government, in place between April 2012 and September 2013, was replaced by the newly elected government in August 2013.** Afterwards, the CSCR was supplemented by the Plan for the Sustainable Recovery of Mali (PRED 2013-2014) and the Government Action Plan (PAG 2013-2018). These two documents are intended to take into account the new challenges that emerged during the multidimensional crisis affecting Mali. The PAG, which covers part of the period covered by this CPF, is structured around six priority areas of intervention: (i) establishment of strong and credible institutions, (ii) safety and security restoration for people and goods throughout the national territory, (iii) implementation of an active national reconciliation policy, (iv)

reconstruction of Malian schools, (v) construction of an emerging economy, and (vi) implementation of an active social development policy.

48. **The more recent Peace Agreement offers a framework to address the underlying drivers of conflict and fragility in Mali.** The Government has committed itself to a range of reform initiatives aimed at strengthening local governance and self-determination in the northern regions. It is also committed to a different approach to development through the creation and boosting of local institutions that will be responsible for the implementation of investments and the delivery of basic services.

G. Proposed WBG Partnership Framework

Lessons Learned, Stakeholder Consultations and Partnerships

Lessons from the CAS (FY08-11) and ISN (FY14-15)

49. **Some lessons from implementation of the CAS (FY08-11) included in the Completion and Learning Review (CLR, Annex 2) remain relevant.** Above all, political support is needed for successful country program implementation. Implementation of the CAS has confirmed the importance of Government commitment to major structural reforms. Reforms in the cotton sector entailed a long consultative process and decisions in the electricity sector were delayed because of their political and social ramifications. Because of the difficulty in taking difficult political decisions, it may be desirable to have irreversible measures taken on key sectors before proceeding with programmatic lending.

50. **Further, the rationale for key policies such as electricity and cotton reforms needs to be understood and supported by all stakeholders.** It is not clear that the Government fully understood or accepted the need for reforms in these sectors, given its resistance to introducing changes. In electricity, making the government pay the power utility directly in 2011 and 2012 (as opposed to letting the utility accumulate losses which would lead to a bail-out in the future) was a positive step as it forced the government to recognize the cost of its electricity tariff policy.

51. **The demographic problem undermines efforts to reduce poverty and needs to continue to be given priority.** The Bank's continued work in reproductive health issues seems to have contributed to a better understanding of the problem.

52. **Need for continuous sector dialogue and investment.** Success in some reforms entails considerable expenditures in technical assistance, equipment, physical infrastructure and time. This is true in capital intensive sectors such as transportation but applies particularly to the social sectors, notably population control programs where a continuous dialogue is critical. Budget permitting, consideration should be given to sector operations where continuous dialogue is possible and expected to yield results.

53. **The mix of policy-based operations and investment operations can be an effective approach to country programming.** In general, investment/technical assistance operations and

policy reforms operations should be complementary to strengthen their impact. This approach was effective in telecommunications but did not help in electricity.

54. **Lessons from the ISN (FY14-15) will guide the new CPF program. The Bank's response since the crisis has focused on rebuilding its knowledge base to understand and address the drivers of fragility.** This has proven essential to accompanying Mali as it rebuilds its pre-crisis development trajectory, building on a deeper understanding of the drivers of fragility in order to instill future programs with a view to preventing a new cycle of crises. The ISN identified the sources of the crisis in Mali's extreme vulnerability to climatic and security shocks: high demographic growth, which offsets gains in poverty reduction, and most importantly, weak institutions. Apparent improvements in governance hailed by the international community until the eve of the crisis masked weak fiduciary systems and high levels of corruption, which led to growing distrust in the State and a failure in the social contract, not limited to a North-South divide but affecting all Malians.

55. **Addressing the drivers of fragility has required significant efforts to reorient the portfolio, aligning ongoing programs with emerging priorities in response to the crisis.** At the same time, with the conflict contained to the North of the country, one of the main challenges was to work with a government located in the South, where the immediate effects of the crisis were generally felt indirectly via the inflow of the internally-displaced population. Late adoption by the Government of emergency modalities in project preparation and implementation ultimately delayed both the starting-up of new operations and the implementation of the on-going program.

56. **More specifically, as noted in the CLR, the preparation and simultaneous establishment of project implementation/management units considerably delayed access to preparation funds, limiting the immediate effectiveness of new operations.** Alternative arrangements should be sought by, for example, using existing project implementation units to prepare new operations while new structures are being put in place. Ultimately, the aim is to limit the number and size of PIUs, or at least make sure that these are relatively mainstreamed into the key ministries. A successful case of implementation arrangements without a PIU under the ISN has been the Education for All grant-funded project, while the Skills Development and Youth Employment Project streamlined implementation arrangements within involving various ministries.

57. **Ensuring agile implementation arrangements is critical to ensure an effective emergency response through programs in the North.** The Emergency Reconstruction and Economic Recovery in the North took time to take off due to limited preparedness by the Government to use emergency institutional arrangements. Furthermore, its size and multi-sector nature requires a level of supervision that may be limited in a security-constrained environment.

58. **Greater impact and focusing of policy actions is also recommended in the CLR.** A selective policy focus, with a stable and predictable level of support for the annual reform and budget program, would include: (i) a focus on key sectors of policy reform directly linked to the SCD to ensure greater impact on the binding constraints to reduce poverty; (ii) a series of annual programmatic development policy operations linked to specific sector reforms; and (iii) integration

of policies and measures complementary to ongoing sector operations and tailored technical assistance to monitor implementation of reforms.

59. **Technical readiness has proven uneven.** Project preparation has tended to focus narrowly on institutional arrangements, fiduciary assessments of the capacity of the implementing agencies and measures for monitoring and evaluation, rather than the overall context for delivering results. Future results require a more careful assessment of conditions on the ground, such as: (i) existing technical expertise; and (ii) other, simpler options for carrying out the operation, including using existing project implementation units for multiple operations.

Lessons from other countries

60. **Lessons from Bank engagement in other fragile countries have been taken into consideration in the formulation of this CPF.** Particularly relevant cases include countries that have implemented development programs in a security-constrained environment; countries that are highly dependent on aid with limited absorptive capacity; and economies seeking to evolve from subsistence agriculture to more sustainable and productive agricultural production capable of providing food security and growth.

61. **The importance of building flexibility into the design of country programs and implementation mechanisms by carefully assessing government's capacity in the context of a rapid increase in donor resources has proven critical in both Afghanistan and South Sudan.** The Bank and its partners have, at times, been overly optimistic in their assessment of the extent to which well-funded capacity building programs can build the institutional capacity needed to absorb larger donor resources. Recent experience has taught, however, that upfront institutional and capacity building, including strengthening internal coordination within government, is the essential pre-requisite to foster absorptive and execution capacity. In addition, an adaptive lending approach in Nigeria, piloted on a Bank-funded portfolio, provides a promising model. This approach involves periodic review and adjustment of implementing and monitoring frameworks. In Haiti and Liberia, meanwhile, UNOPS and UNDP managed project activities on behalf of the Government, including hiring local labor and procuring inputs when military missions' engineering battalions provided road building expertise and equipment, with protection provided by UN forces.

62. **Increasing agricultural productivity is an imperative for long-term economic transformation.** The experience of Mozambique shows that stimulating agricultural productivity is a long term proposition that requires strong government coordination, commitment and a clear vision of how growth is to be achieved. A broad set of policy and institutional reforms, including politically sensitive reforms on land policy and administration, as well as significant institutional building of key agencies and private sector engagement is necessary to improve agricultural productivity in a way that can contribute to growth.

Stakeholders' consultations

63. **Consultations on the CPF were conducted between June 15 and 20, 2015 and endorsed the Areas of Focus, selectivity filters and overall approach of the CPF (see Annex 3).** These followed consultations on the final SCD on February 9-11 with representatives of parliament, government, non-governmental institutions, associations, research groups, universities, development partners, private sector, and representatives of Mali's young population. The SCD consultations endorsed the three areas of binding constraints, to which this CPF proposes an operational response. In particular, SCD consultations were geared towards thinking constructively about how to develop a framework to address the situation of extreme poverty and shared prosperity in the country ("to prioritize the priorities").

64. **Consultations with civil society, partners and government on the CPF validated the relevance of the three CPF areas of focus and confirmed the findings from the SCD.** They also provided actionable recommendations for each of the CPF areas of focus. In particular, for governance (Area of Focus 1) they recommended the following: (i) strengthening the capacity of Civil Society Organizations to mobilize citizens and to exercise their advocacy and watchdog roles; (ii) fostering transparency and access to information; (iii) applying citizen participation at every stage of policy making, as well as budget formulation and oversight, and (iv) developing interactions between governments and citizens. For the Area of Focus 2, Economic Opportunities, they highly recommended direct support to farmers, rather than going through the central government, and proposed the following priority interventions: (i) provide support to women, (ii) expand irrigation, (iii) strengthen the capacity of farmers, (iv) address land issues, (v) develop mechanization and transformation, (vi) adjust regulations to the current challenges and context, (vii) improving infrastructure, (viii) addressing job issues in rural areas by developing income-generating activities and small and medium-sized enterprises, and (ix) improve public service delivery, including services for nomadic populations. On Area of Focus 3 (Build Resilience) participants recommended: (i) improving education and addressing gender-based violence.

65. **These recommendations have been reflected in both the design of the program and the plan for its implementation.** A stronger emphasis on service delivery to vulnerable populations has been reflected under Area of Focus 2 to improve resilience. In addition, the modalities of delivery have been reviewed, a portfolio review of existing citizens' engagement tools has been completed and, on this basis, improvements to the ongoing portfolio and recommendations for the new program have been suggested to sharpen the impact of such tools and contribute to improve accountability through stronger demand for more transparency and better services.

Donor Partnerships

66. **A donor conference held in Paris in October 2015, organized by the Government and the OECD, confirmed strong donors' support to implementation of the Peace Agreement signed on June 20, 2015.** Traditional partners, bilateral and multilateral, pledged FCFA 2 120 billion (Euro 3.2 billion) for the period 2015-2017. The Brussels Conference in support of Mali's recovery, promoted by the European Union and the World Bank Group in May 2013, was the first in a series of pledging and monitoring conferences. In 2013 and 2014, donors disbursed US\$2.8 billion, or 66.4 percent of amount committed in the Brussels Conference (US\$4.3 billion).

67. **The government and its traditional partners are finalizing a second Common Country Accompaniment Strategy (SCAP II), which will provide a framework for enhanced coordination and monitoring of assistance behind government priorities.** This will include mutual commitments to strengthening coordination and development effectiveness, as well as an action plan. The CPF will be consistent with SCAP II commitments. The Bank played a leading role in the development of the SCAP II, most notably perhaps as the Chairman of the Troika coordination structure.

68. **The Bank intends to strengthen its partnership with non-traditional donors.** The Bank is coordinating closely with increasingly important partners, such as the Islamic Development Bank, engaged in areas relevant to the programs supported by this CPF, in particular agriculture development. China is playing an increasingly important role in Mali's economic landscape. In 2013, China's FDI flow to Mali surged to US\$108 million, from US\$44 million in 2012. In the same year, the trade value between Mali and China reached US\$427 million, accounting for 18 percent of Mali's total trade.

69. **Close partnership with the UN and other actors will be central to these efforts.** Building on the joint UN-World Bank analytical work completed on the socio-economic impact of the MINUSMA mission, the Bank will continue to rely on the UN presence to support implementation of programs in areas where the Bank does not plan to be involved, in particular direct support to Internally Displaced Populations and refugees, as well as work on peace and reconciliation. In addition, the WBG already relies on the support of MINUSMA for access, logistics and information on the North; the need for such collaboration will increase as implementation in the North increases. The UN Food and Agriculture Organization (FAO) is to implement US\$5 million of urgent agriculture support under the Economic Recovery and Reconstruction program. During the CPF period, the Bank will launch a new partnership with the Department for International Development of UK (DFID) in support of building social protection systems to both accelerate redistributive efforts for poverty reduction and deliver programs in agriculture, irrigation and energy using adaptive safety nets.

Overview of WBG Country Partnership Framework

70. **The CPF proposes a selective knowledge and financing program to achieve the twin goals.** Knowledge activities are meant to address both the gaps identified in the SCD and

complement the knowledge base on the causes and impact of the crisis completed as part of the ISN program. Financing programs include a mix of WBG (IDA, IFC and MIGA) products, including national and regional lending operations based on the mix of credit and grant financing available. These include IDA and IFC guarantees and risk insurance tools to manage and mitigate the impact of climate change volatility and agriculture prices and production variations on poverty. The new lending program will be clustered around development solutions: (i) introducing multi-sectoral programs; and (ii) leveraging partnerships to the extent possible, for example using DFID financing to support a scaling up of the safety nets program.

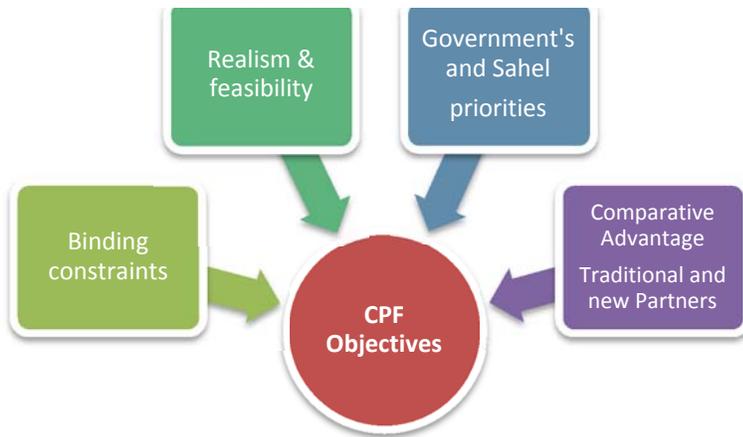
71. **Security constraints and the pace of the reconciliation process require a phased approach with clear objectives for the duration of the CPF.** For this reason, a selective program is set only for the first two years of the CPF. The CPF will support the long-term binding constraints identified in the SCD, in particular in governance, productivity and exposure to uninsured risks, with short-term solutions aimed at unlocking the potential for growth and helping increase resilience through social protection programs. The CPF program for the initial years will be reassessed based on progress with re-establishing security and stability and on the traction of critical reforms to unlock governance issues both within government itself and in key sectors, in particular energy, irrigation and agriculture.

72. **The CPF introduces new delivery modalities to both strengthen citizen's engagement and secure development results.** Building on global experience in promoting citizen's engagement and on the revived government's focus on decentralization, the Bank's governance and service delivery agenda will strengthen efficiency, transparency, accountability and citizen participation. In line with the new decentralization framework and using social protection mechanisms, the Bank will bring project implementation closer to beneficiaries and will seek in particular to foster a voice for citizens and increase the involvement of citizens in policy making and monitoring. In regard to budget for example, citizens will conduct budget monitoring to ensure efficient budget allocation and execution. At the same time, the Bank will redouble support through policy and fiduciary assistance to improve central governance arrangements that have proven inadequate to the emergency context that emerged from the crisis.

Selectivity Filters

73. **The strong focus on governance and addressing the drivers of Mali’s fragility ensures continuity with the ISN.** Where necessary, the Bank will introduce adjustments to the ongoing program, as it has done over the course of ISN implementation. Regional integration will remain a critical element in the engagement, particularly for the Sahel program.

Figure 3. Selectivity Filters



74. **Four selectivity filters guide the decision on programs to be included in the CPF:** (i) the government of Mali’s key priorities, including increasing security and challenges, as well as opportunities for integration; (ii) binding constraints and knowledge gaps identified in the SCD; (iii) a more focused selection of areas of engagement, driven by realism and feasibility, and taking into account security constraints and weak implementation capacity based on

lessons from implementing the ISN and other partners’ programs since the crisis; (iv) the WBG’s technical or financial comparative advantage to complement, accompany or leverage financing by traditional and non-traditional partners.

75. **Selectivity was a particularly important factor during the ISN when the Bank proactively restructured four operations to: (i) align with the new government’s priorities following the crisis and (ii) accelerate the pace of implementation while providing continued fiduciary support to strengthen country systems.** The current IDA portfolio includes 15 national and five regional operations plus five trust funds across ten sectors: education, health, transport, agriculture, energy, urban development, social protection, water, governance and environment. During the CPF period, the Bank plans to further consolidate the number of operations by discontinuing non-performing implementation units and simplifying operation design, while ongoing implementation arrangements will be aligned with government capacities. During the first eighteen months of CPF implementation, four operations will exit the portfolio.

76. **New lending during the first two years of the CPF will be clustered around development solutions involving selected new national and regional investment operations and development policy operations in the areas of agriculture, energy and governance.** The underlying challenge of security will be addressed by supporting the reinsertion of ex-combatants, as requested by the Government, the UN and other partners, building on the ongoing Skills Development and Youth Employment and Emergency Reconstruction and Economic Recovery in the North. One operation in agricultural value chain diversification will integrate agriculture,

water, transport and ICT, trade and competitiveness. A regional program on Irrigation in the Sahel prepared jointly with the IFC will facilitate opportunities for the private sector to invest in irrigation. A regional operation in support of the rehabilitation of the Bamako-Dakar Railway will facilitate connectivity, help accelerate transformation and reduce the cost of doing business. Social protection will be scaled up to support employment and productive activities using trust fund resources. This scaling-up could also open the door for social protection to be used as potential vehicle to channel multi-sectoral interventions in agriculture for small and subsistence farmers, as well to facilitate greater access to land among the poor. A new guarantee in energy, jointly with the IFC, will enable transformation in the long term, while an integrated economic and environmental intervention around the Niger River will address environmental sustainability and create economic opportunities. Finally, governance will underpin the policy actions program aimed at reinforcing the impact of investment lending, as well as a statistical capacity building project aimed at improving data access, the quality of household surveys, national accounts and agricultural statistics. The WBG's comparative advantage will drive the selection of areas of engagement and instruments, with different degrees of involvement maintained in key areas where limited government capacity and a strong need demands multiple donor interventions.

77. Proactive management of the ongoing portfolio initiated during the ISN period will continue to align the legacy programs with the CPF areas of focus. Given positive results in quality and disbursements obtained at the end of the ISN implementation, the Bank team will undertake actions, including restructuring and early cancellation of ongoing operations that are either not progressing with implementation or that are not in line with the CPF areas of focus. Extension of closing dates of legacy operations not in line with CPF areas of focus will not be considered.

Areas of Focus Supported by the CPF Program of Financing and Knowledge Activities

78. Mali's own experience in reducing poverty demonstrates the importance of increasing agricultural production and improving redistributive efforts. Agriculture in Mali presents opportunities as well as challenges: an opportunity for high value agriculture and transformation comes from urbanization, which will drive demand for more processed food and value addition in the higher segments of production. Education and skills are essential elements to develop agriculture and reap the benefits of higher productivity in rural and urban areas. The SCD identifies the potential of redistribution through safety nets mechanisms to reduce poverty and achieve other development objectives, including access to school for girls and to health care for poor households, generation of jobs and support to community infrastructure.

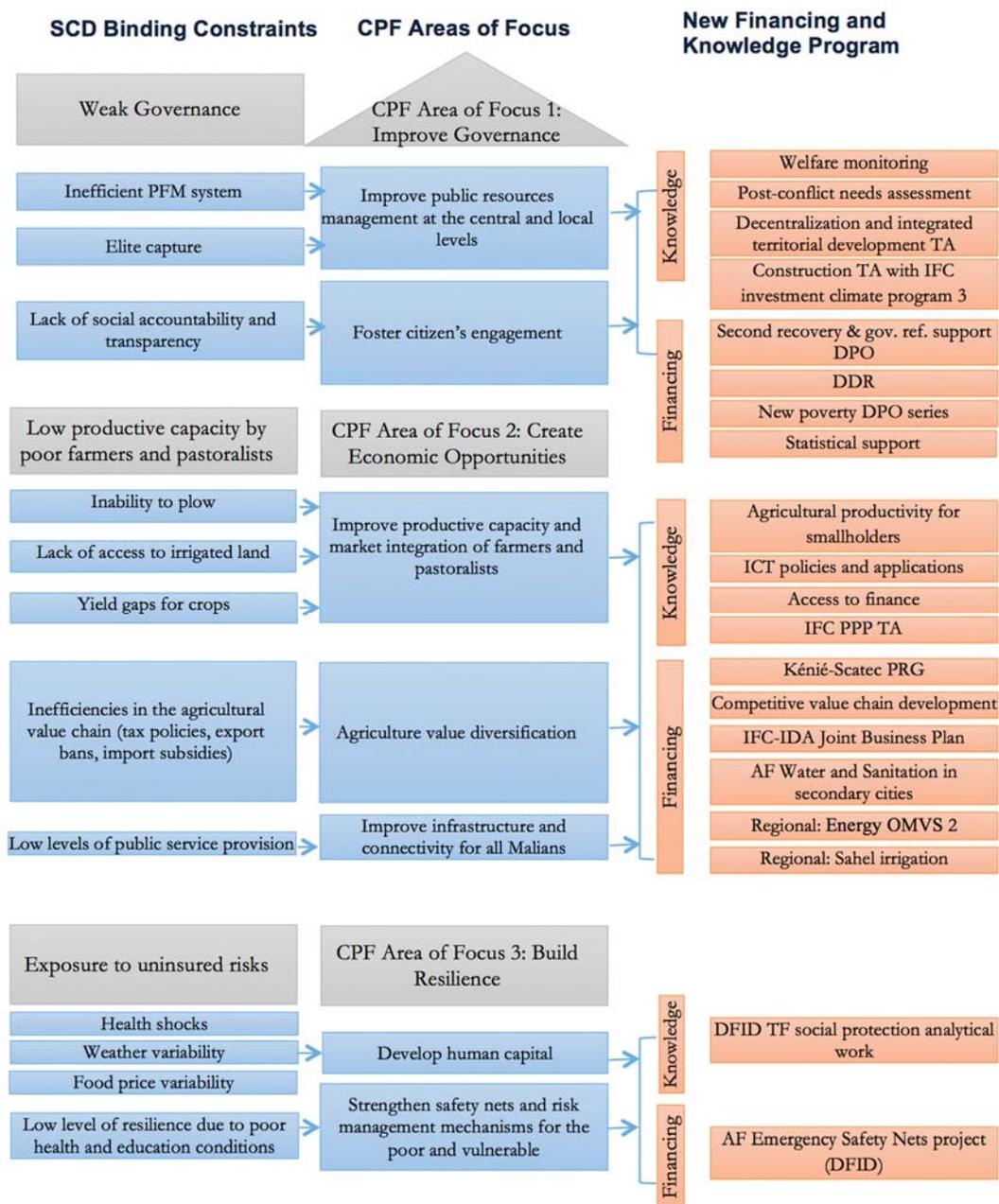
79. Against this background, the CPF for the period FY16-19 (July 2015 to June 2020) articulates three sets of areas of focus: (i) improve governance; (ii) create economic opportunities; and (iii) build resilience. Specific Objectives within each area of focus target the three sets of SCD binding constraints (Figure 4).

Knowledge and Program Gaps to Achieve the CPF Areas of Focus

80. **Knowledge activities detailed under the CPF Areas of Focus reflect the knowledge gaps identified in the SCD.** These gaps are listed in the SCD and take into account analytical work conducted by the government, other partners or by the Bank that is already available. The CPF areas of focus concentrate on proposing development solutions to address the binding constraints in the priority areas where the WBG has a comparative advantage to complement, technically or financially, traditional and emerging partners.

81. **The ongoing program is aligned with Mali's post-crisis priorities and is expected to contribute substantially to achieving the CPF Objectives.** The existing program, however, does not cover all areas where the WBG plans to work towards the CPF areas of focus. These areas are described as program gaps and will help articulate the specific development solutions to achieve the CPF areas of focus in response to the binding constraints. Such solutions will give particular attention to strengthening the implementation modalities, based on lessons from implementing the ISN and other programs in fragile countries.

Figure 4. SCD Binding Constraints, CPF Areas of Focus and Program FY16-17¹⁴



¹⁴ The figure shows newly planned activities under the CPF. The currently ongoing activities planned under the ISN are referred in Table 3. Among those newly planned projects, Niger River Program and Bamako-Dakar Railway Project are not shown since they are subject to availability of resources from IDA or other financiers.

Area of Focus 1: Improve Governance

Expected Outcomes: Under this Area of Focus, the WBG expects to foster: (i) improved public expenditure efficiency at the central and local level; and (ii) increased involvement of citizens in public affairs.

Objective 1.1: Improve Public Resources Management at the Central and Local Levels

82. **Recent governance scandals in the past few months have brought to light the centrality of governance and its close linkages to peace and security.** The achievement of an efficient and transparent management of public finance will take time and will require strong and coherent actions. In the short term, continued implementation of public financial management reforms, including improving transparency for better citizens' awareness of public resource allocation, will help improve accountability and will contribute to improving the quality of service delivery. Building a stronger demand for accountability from citizens will drive the Bank's engagement in support of the government's renewed efforts towards decentralization in the context of the Algiers Peace Agreement. This should also include strengthening internal controls within government, as well as checks and balances institutions to hold public officials accountable. Particularly important in the Malian context is the urgent need to raise the sanctions regime by establishing a stronger administrative sanctions mechanism in addition to the judiciary mechanism which has proven to be less effective for the handling of such high profile cases.

83. **Priorities of WBG engagement will build on existing programs and aim at improving efficiency and pro-poor orientation of public expenditures and improving the ability of citizens to demand accountability to improve public service delivery, particularly those of direct relevance to the poor.** Key reforms will be supported to consolidate and deepen advances made in improving public financial management, with an emphasis on enhancing the implementation of policies, legislation and regulation, as well as on fiscal mobilization, and better targeting subsidies and tax exemptions. This support, which will also include the decentralization agenda, will be designed to promote results, particularly in the form of improved delivery of services. A better performance by autonomous government agencies through actions to maximize transparency, accountability and results will also be a priority.

Ongoing Program

84. **Support to decentralization is central to the existing engagement.** In particular, the second Recovery and Governance Reform Development Policy Operation (DPO) and the Governance and Budget Decentralization lending technical assistance, restructured in the context of the ISN, will help set the framework for more efficient budget allocation at the central level and allocations to local governments. A new and simple system to use and analyze budget and expenditure data base (BOOST), covering 2004-2015, was recently completed and will soon be made publicly available. The Support to Urban Communities Project has tested block grants transfers to selected local communities, strengthening local governments. The recently-launched Public Expenditure Review on Education and Health, furthermore, will help identify bottlenecks in budget allocation to service providers and contribute to better governance and results in these

sectors. The review will complement an analysis on service delivery indicators, focusing on the effectiveness of public spending and school governance, with an emphasis on learning, and will provide results disaggregated by rural/urban and public/private breakdown, for the country as a whole, excluding the region of Kidal (see Area of Focus 2).

85. The WBG will continue to support improvements to the fiduciary environment. Critical reforms are needed to reduce costs and improve the efficiency of fiscally unsustainable subsidies, particularly in energy and agriculture, to ensure a positive impact on poverty. Policy reforms on taxes and subsidies need to be reviewed to address disincentives against small and medium-scale enterprises, as well as unjustified exemptions that narrow the tax base. In agriculture, approximately CFAF 45 billion are spent annually on subsidies, with unknown benefits to farmers. Reforms are needed to improve traceability and reduce the fiscal burden of these subsidies. Public finance reforms, furthermore, need to be sustained to support stronger alignment between budget and pro-poor priorities (including gender), more transparent and effective public expenditures processes (including procurement) and stronger controls. Continued engagement in fiduciary areas will be based on extensive support provided during the ISN through development policy lending and technical assistance. The Bank will aim in particular to introduce transparency in the application of the new procurement code currently being revised, building on its ongoing engagement and on advances recorded in public financial management. Finally, the WBG will support government efforts in responding to the open contracting initiative as requested by private sector for procurement of construction contracts through the Construction Technical Assistance.

86. The WBG intends to continue its ongoing support to both the allocation and technical efficiency of public expenditure, including at the local level, to maintain government's attention to pro-poor spending. The WBG will continue to support the institutional performance of targeted urban local governments, but the objective of interventions will be to directly support local communities in order to strengthen the demand for good governance and involve beneficiaries in the delivery of development financing using social accountability instruments. This will involve an expanded use of ICT and making local level budget information available to the public, as well as support to existing sector-specific accountability initiatives at the central and decentralized level, such as the Extractive Industries Transparency Initiative (EITI), will also be included.

87. The WBG will continue to be a leading technical partner in mining. Gold in particular contributes 8 percent to Mali's GDP and the sector provides 23 percent of government's revenues. The Bank is supporting the on-going revision of the mining code and further development and strengthening of the institutional and governance framework for mining, including for the management of artisanal and small scale sub-sector. It has also supported Mali's commitment to successfully comply with EITI standards and it continues to support with the inclusion of financing for the National Mining School through the Higher Education Project recently approved, whose beneficiary is the national Mining School. Policy and institutional strengthening actions will continue to complement Bank's engagement in this critical sector.

88. **The Bank has completed in FY15 a Decentralization assessment focused on assessing central and local government capacities for service delivery.** The assessment has taken stock of previous works completed by partners and has identified challenges faced during implementation of past decentralization reforms, as well as potentially-relevant international experiences and mechanisms that can be used to strengthen demand side local governance over time. The findings of the assessment will be used to strengthen policy advice in support of ongoing decentralization reforms, with a view to advising government on equalization formulas in this context and could also inform the design of new project activities.

New Program

Knowledge Program

89. ***Welfare monitoring continued assessment.*** Building on the SCD knowledge gaps, the WBG will maintain a strong focus on poverty analytics and monitoring, with special effort to maintain and improve continued data collection and make information publicly available. This will contribute to maintaining a strong focus on selective interventions with the highest poverty reduction potential, continue support to statistical capacity (initiated with capacity building support for the formulation of a statistical strategy), and improving access to information for Malian citizens.

90. ***Statistics: capacity building, data access and improved data on agriculture.*** The WBG will prepare a statistics project aimed at improved statistical capacity and increasing the number of trained statisticians. The project will improve data access, streamline the household survey program, strengthen national accounts and enhance the quality and timeliness of agricultural statistics. It will be complemented with a regional WAEMU project that would provide TA and funding for a series of Living Standards Measurement Surveys. To strengthen the focus on development effectiveness, the Bank will experiment with rapid beneficiary feedback mechanisms and third party monitoring building on positive experiences with a monthly mobile phone welfare monitoring survey implemented in North Mali.

91. ***Post-conflict needs assessment.*** As part of its support to implementing the Algiers Accord, the WBG, together with the African Development Bank (AfDB) and the Islamic Development Bank (IsDB), has been asked to conduct a Post-conflict Needs Assessment to identify peace and recovery priorities in the immediate term, as well as longer-term development priorities aimed to bring the north to par with the rest of the country.

Financing Program

92. ***New poverty development policy lending.*** Development policy lending will reflect the strong emphasis on actions expected to have the greatest impact on poverty reduction. Starting FY17, the Bank intends to carry out its dialogue on cross-cutting governance reforms in the context of improving the CPIA score (quasi budget support) and to re-focus its policy based lending on sector policy reforms. A new Poverty DPO series (FY17) will support policy actions aligned with

investments in key areas identified in the SCD. In critical areas where an opening of policy dialogue is not foreseen for the time being, the Bank will remain involved through its existing instruments. The Poverty DPO will support a series of ongoing reforms at the central level for oversight. In terms of accountability and transparency, the reforms cover strengthening of the oversight institutions from a legal and resource perspective with the PFM project, in particular regarding the *section des comptes*; the publication of audit reports; the implementation of the law against illicit enrichment including assets declaration; and the publication of mining contracts. With regard to procurement, the reforms include the adoption and implementation of the new procurement code including security expenses. Reforms in the energy sector encompass the alignment of tariffs to costs, the promotion of public debates on electricity subsidies, and the externalization of oil procurement and broader reforms to improve utility's governance. In decentralization, the DPO aims at strengthening capacity of deconcentrated and decentralized structures through the PFM and Urban Local Development Support Project.

93. ***Reinsertion of ex-combatants under multi-partner Disarmament, Demobilization and Reintegration (DDR) Program.*** Malian authorities have requested that the WBG lend support in the reinsertion of ex-combatants, in parallel to government's demobilization and disarmament efforts. This Trust-funded and IDA operation will build on strategic advisory provided in the course of the ISN and strong cooperation with key government and donor counterparts. Building on strategic advice provided through a Technical Assistance completed in FY15, the WBG will provide financial support to the agreed demobilization and reintegration framework envisaged in the Algiers Accord. The WBG will provide overall technical guidance with key partners and make delivery instruments available in order to facilitate this process, in particular through the Skills Development and Youth Employment Project, the Higher Education Project and the Emergency Economic Recovery and Reconstruction Project, which will absorb demobilized ex-combatants, along with the Social Safety Nets and Reconstruction operation that offers employment opportunities and safety nets.

Objective 1.2: Foster Citizen Engagement

94. **The SCD identifies limited transparency and social accountability among the key constraints to poverty reduction.** Supporting citizen engagement which consists of increasing transparency, accountability and citizen participation is critical to improving governance, facilitating economic recovery, establishing effective monitoring systems for better service delivery and helping to build resilience.

95. **Recent surveys on the aspirations of Malians after the crisis emphasize that the vast majority of citizens aspire to access better public services¹⁵.** This is consistent with evidence drawn from research on citizen's engagement showing that stronger participation has helped improve the quality of public service delivery in many countries, in particular through transparency, increased accountability of the supply side, and through the involvement of citizens

¹⁵ *On the primacy of weak public service provision in rural Africa: Malians redefine 'state breakdown' amidst 2012 political crisis.* Working paper n° 155 by Jaimie Bleck and Kristin Michelitch, March 2015.

in solving development challenges. Preliminary findings from a recent mapping exercise on social accountability in Mali highlighted that citizens actively engage in the development of their localities when they feel that their needs and aspirations are taken into account, when they are informed about the progress and when they can see tangible results. Mali has a solid tradition of participation, especially through indigenous civil society. Moreover, despite the limited capacity of Community-Based Organizations (CBOs) and Civil Society Organizations (CSOs) to hold officials accountable, there is a growing willingness and tangible effort among CBOs and CSOs to get better organized in order to increase their efficacy while exercising their advocacy and watchdog roles.

Ongoing Program

96. **The portfolio review conducted in the context of CPF consultations provided specific recommendations to strengthen citizen engagement across the portfolio.** The ongoing WBG portfolio includes significant elements of citizen engagement and has so far contributed to concrete achievements. In particular, citizen engagement is embedded at the core of the Urban Development project and is effectively implemented. One of the project's components provides annual performance-based investment grants and capacity support grants to secondary cities and the use of participatory and transparent approaches in investment selection and communal budgeting are part of the key criteria used for a city to benefit from these grants. The Jigiséméjiri Safety Nets project provides for every citizen in the beneficiary village to take part in the decision-making and monitoring process through general assembly meetings and grievance redress mechanisms, which are operational and well-managed. In terms of capacity building for Civil Society Organizations, the Groupe de Suivi Budgétaire (*Budget Monitoring Group*) has benefitted from Bank's support in budget monitoring and has become a lead organization recognized by their peers and other stakeholders in the field and can now train their peers on budget monitoring. Citizen engagement is also an important component of the Reconstruction and Economic Recovery Project.

New program

97. **The CPF introduces citizen engagement as a transversal approach to both the ongoing and new program.** In light of citizens' engagement's role a two-way interaction between citizens and governments that gives citizens a stake in decision-making, with the objective of improving development outcomes, it will be pursued under the CPF as part of ongoing and new WBG interventions. In addition, priority interventions identified during CPF consultations with civil society will particularly focus on: improving access to information and transparency; enhancing citizens' voice by strengthening the mobilization capacity of news media, civil society organizations (CSOs) and community based organizations (CBOs); fostering citizens' involvement in the peace and security restoration process, policy making and budget formulation and monitoring; promoting dialogue between citizens (including individuals, community-based organizations, civil society organizations, the private sector and news media) and government representatives (including elected and non-elected officials).

Knowledge Program

98. ***Citizen Engagement through Decentralization and Integrated Territorial Development.*** The WBG will use its ongoing policy dialogue with government to promote reforms needed to implement the Algiers Peace Accord and promote governance reform more broadly. This includes a continued focus on issues and approaches to decentralization and the strengthening of local service delivery capacity. A non-lending Technical Assistance activity on Integrated Territorial Development for the Northern historic city of Timbuktu, a UNESCO World Heritage site, which has not recovered from the occupation period. Partnering with UNESCO, the Bank will pilot citizen engagement and participatory decision-making processes for local development planning activities through a City Development Strategy approach adapted to post-conflict context.

Area of Focus 2: Create Economic Opportunities

Expected Outcomes: As the CPF's Second Area of Focus, the WBG expects to contribute to: (i) increased productivity in agriculture; and (ii) expanded access to markets in key agricultural value chains; (iii) improved access and quality of ICT, electricity services in rural areas and water supply and sanitation in Bamako, all of which will build long-term resilience to shocks; and (iv) better water and natural resources management.

Objective 2.1: Improve Productive Capacity and Market Integration of Farmers and Pastoralists

99. **As highlighted in the SCD, agricultural productive capacity in Mali is stagnating and much arable and irrigable land remains underdeveloped.** Only a small proportion of potential crop yields is exploited, limiting the potential to achieve poverty reduction results. Changing climate conditions is one of the determinants of low agricultural productivity as most agricultural land is rain-fed and droughts severely increase the risk for agricultural producers. Price uncertainty in the market also limits Malian farmers' private investment in agriculture. Moreover, access to finance for agriculture is low, particularly for women farmers.

100. **Lack of adequate infrastructure, low access to finance and inputs, poor farming practices, the threat of drought and the impact of climate change are undermining the productivity of smallholder farms in Mali.** Women face unique challenges with respect to owning land, accessing and supervising male farm labor and mobilizing other complementary inputs, such as inorganic fertilizers. As a result, the yield gaps for crops grown mostly by the poor (maize, millet) and by those who engage with the market (rice, maize, cotton) are particularly high. Closing the yield gap would increase primary GDP significantly, however this requires improved management and better access to inputs (improved seeds and fertilizers), access to finance and enhanced adult literacy and extension services which will allow farmers to adopt new farming practices. Adequate infrastructure is indispensable for raising households' standard of living. Rural electrification can raise productivity and income when small entrepreneurs begin using electric tools and machinery. Areas with improved road access have lower food price variability. Mobile phone access is associated with improved agricultural and labor market efficiency; currently, only 32 percent of very poor households are covered by a comprehensive mobile phone network.

101. **Mali's successful experience at reducing poverty in the 2000s demonstrates that investments in the crops that the poor cultivate can have a direct impact on poverty.** Liberalization of the cereal market led to increased food and grain production, a driver of poverty reduction. The WBG aims to improve incomes by increasing the production and resilience of smallholder farmers (particularly in cereal crops), pastoralists and agribusiness producers, while introducing and reinforcing sustainable land and water management techniques. This will be achieved through technical assistance programs, investments in agribusiness companies and investment climate reforms, which will result in increasing private sector participation in the agricultural sector.

102. **Actions to achieve this area of focus are expected to have a direct impact on the majority of the poor by increasing incomes from agriculture, lowering food prices and strengthening the position of smallholder producers in value chains.** For crops (primarily sorghum, millet and maize) the focus is on increasing production. In areas where land is relatively abundant, this might be by bringing more land under cultivation through enhanced access to tools and equipment; elsewhere it would be by increasing the productivity of land, including through greater reliance on higher-quality seeds while also introducing and reinforcing sustainable land and small-scale water management interventions and reducing post-harvest losses. Productive capacity of integrated agro-pastoral systems will be enhanced through technical assistance programs, community driven interventions and targeted transfers that facilitate access to knowledge, equipment and technology for production and post-harvest management. Regional programs in irrigation, energy and transport (railway) will complement ongoing and planned national interventions by contributing to improve agricultural productivity and creating the conditions for transformation by preparing the ground for private sector investments in irrigation, reducing the cost of electricity and transport.

103. **The WBG will draw on lessons from ongoing and previous operations, as well as from experience in other countries to design targeted interventions in support of building productive capacity.** As articulated in the SCD, smallholders' access to market is hindered by several factors from production to trade including: access to inputs and finance, low storage capacity, low cold storage, poor rural roads, limited access to electricity, inefficient information on markets including through ICT and other transport constraints. Addressing these constraints will help improve functioning markets to benefit the poorest and ultimately to reduce the share of subsistence farmers -- who are, by definition, excluded from the market -- and to increase the share of business farmers who are connected to local, regional and international markets.

Ongoing Program

104. **A strong ongoing national and regional program, developed under the Economic Recovery Area of the ISN, is expected to contribute substantially to the second Area of Focus of the CPF.** This program includes the Reconstruction and Economic Recovery project that has created the conditions for fostering economic opportunities in communities in the North, the area most affected by the crisis. The Agricultural Productivity Support Project, which has so far contributed to broadening the surface of arable land through financing for irrigation and to providing access to seeds, fertilizers and extension services; the ongoing Second Transport Support

operation, which has facilitated market access for new investments financed under the recently closed Agricultural Competitiveness project; the regional West Africa Agricultural Productivity Project, which has tested e-vouchers and invested in Mali's center of excellence in research on rice; the newly-approved Sahel Pastoralism Support Program targeting the northern arid livelihood zone in support of the pastoral economy, including animal health and infrastructure.

105. **In addition, the IFC has a strong involvement in areas relevant to the objective,** including MSMEs' access to finance, infrastructure and agribusiness which will complement other IDA operations. It includes IFC's activities built around three principal axes of intervention: (i) supporting entrepreneurship by working closely with financial institutions (local banks and microfinance institutions), through financing (mostly risk sharing facilities, trade lines, loan and equity investment) as well as advisory services by promoting MSME finance, deploying capacity building products (through Business Edge and its Financial Education for Farmers program) and further developing leasing products in order to ease MSME's access to equipment, (ii) improving the investment climate to help the GoM enact pro-business reforms that enable business and job generation: Investment Climate 3 will provide technical assistance to streamline the legal and regulatory framework for competition, to modernize the commercial and collateral registry and commercial court and to support API Mali effort to attract investment especially in agricultural sectors, including through the organization of an investment forum in Bamako (iii) providing support to projects in strategic sectors where private participation is low, especially in infrastructure with a focus on clean and cheaper renewable energy, where the IFC Infraventure's 42MW Kenie hydropower and 33MW Segou solar have already reached a critical stage of development with the signature of the concession agreement.

New Program

Knowledge Program

106. ***Agricultural productivity for smallholders, leading to a new operation.*** Development outcomes in poverty reduction among cereal producers and pastoralists will be pursued for the first time with targeted interventions for the arid and semi-arid zones. The CPF envisages analytical work during the first year of the CPF period to identify the appropriate integrated approach to boost productivity in the arid and semi-arid zones, assessing the potential to use renewable energy for irrigation, priorities to improve connectivity and opportunities to use productive safety nets programs and technology applications to reach out to the most vulnerable rural populations. Experience from relevant programs in the region shows that a combination of e-vouchers, improved seed and support to regional agriculture chambers of commerce has contributed to boosting the production of staple cereals and increasing farmers' use of storage in food deficit zones. The study proposed under the CPF is meant to articulate a new approach clustering Agriculture, Water, Transport, ICT and Safety Nets integrated interventions. The project might incorporate a separate statistics component (unless statistics is introduced as a stand-alone project).

Objective 2.2: Agriculture value diversification

107. **Developing the potential for transformation is a critical objective to generate jobs and**

diversify the economy. To this end, value chains for food grains, meat, milk and horticulture need to be developed, with support provided to strengthen producer organizations in order to facilitate access to inputs, credit, storage, quality control and marketing. Support is needed not only for the middle-level of small and medium-sized traders who aggregate, package, store and distribute goods, but also at the national level, where large businesses use the produce in the transformation process and enjoy access to urban and export markets. Access to electricity, finance, ICT and markets, along with skills development, are instrumental to realizing opportunities for local transformation and off-farm employment. Rural electrification for agro-processing and irrigation is a key component of this approach (as described under Area of Focus 2 on Service Delivery).

108. **The SCD identifies opportunities to achieve transformation through the development and diversification of agricultural value chains.** The Bank, along with the IFC together with MIGA where possible, will continue to support processing and value addition through the development of value chains (agro industrial clusters), particularly around large irrigated systems for crops (for instance the Office of the Niger and Senegal River). To this end, value chains for food grains, livestock (live animals, meat and milk), and horticulture need to be strengthened. Access to electricity for agro-processing, to finance, continued support to mobile connectivity and ICT solutions, and infrastructure access to markets, along with skills development are instrumental to realizing opportunities for local economic transformation and off-farm employment.

109. **Transformation of the agriculture sector contributes 62 percent of Mali's jobs.** Creating the conditions for transformation in the long term requires increasing revenues through (i) the reduction of post-harvest losses and (ii) increased processing of agricultural products and facilitating access to higher value markets. Strengthening linkages between the primary, secondary and tertiary sectors, through combined interventions in agro-industrialization and development of agribusiness services. In order to pilot this transformation, IFC and Bank teams will jointly support the Government of Mali's competitive value chain development strategy with investments and technical assistance. A specific approach addressing binding constraints and proposing solutions will be co-designed and implemented by the public and private sectors to create a conducive environment to Mali agro industrialization.

Ongoing Program

110. **Improving the adoption of advanced production technologies, finally, such as drip irrigation and improved seed, has proven critical for intensification and deepening of value chains.** The ongoing regional West Africa Agricultural Productivity Program (WAAP) is a successful example of this approach. WAAP has recently launched an e-voucher program for fertilizers and seeds that allows targeted farmers, particularly women, to collect packages of inputs free of charge from certified local suppliers. E-extension services will also be tested under the program. The Minister of Rural Development has expressed interest in rolling out e-vouchers at a national scale. With the ongoing Agricultural Productivity program (PAPAM), the Bank will continue to support irrigation and inputs in specific targeted areas. The operation is scheduled to close at the end of 2016.

New Program

Financing Program

111. ***The Competitive Value Chain Development Project will contribute to generate investments in commercial agriculture and foster competitiveness in the high productivity livelihood zone.*** The new project will support an integrated competitive value chain development in Sikasso, an area with the highest potential of productivity. An approach combining geographic focus and selection of value chains will aim at maximizing the potential for transformation and job creation. The operation will take into consideration the importance of addressing governance issues around cost-recovery mechanisms and land tenure as essential components of sustainable agricultural transformation. Complementing this investment, the Bank will aim at as well as improving fiscal transparency and commercial court functioning, investment promotion efforts through the Investment Climate 3 program funded by USAID (US\$ 2.4 million).

112. **IDA and IFC will work together to unlock the potential for transformation.** Joint IDA and IFC planned interventions include a combination of soft (policy reforms, institutional delivery capacity, services to SMEs) and hard investments (master planning and construction of critical infrastructure) sequenced over a short, medium and long term. The effort will be cross sectorial, both on the government and WBG side, including expertise in trade, competitiveness, agriculture, ICT, transport and investments in agribusiness (IFC). There are five areas that will require specific attention: (i) legal and regulatory measures (i.e. SEZ reform, PPP reform, land reform, Investment Climate reforms), (ii) institutional mechanism and delivery platform (institutional reform, organization support to stakeholders, master planning process and plan, land allocation, GIS and land management system for targeted areas, investment promotion efforts), (iii) critical infrastructure development (public goods financing, matching arrangements for commercial infrastructure, industrial park, integrated infrastructure development not limited to agro-hydraulic works), (iv) business development and financial services to SMEs (promotion of inclusive value chain and its financing, trainings to farmers, promotion of rural farming innovation, agribusiness incubator), and (v) technical assistance for market access and better inclusion in national, regional and global value chains (exports promotion efforts, branding of Malian products, certification and standards programs). Mali competitive value chain development project will emphasize both value chains competitiveness (wealth creation) and inclusiveness for its stakeholders (poverty reduction).

113. ***The IFC-WB Joint Business Plan (JBP) will be built around the competitive value chain development operation.*** A joint action plan to support the development of targeted value chains and shared infrastructure in spatially discrete areas in order to increase smallholders' productivity and ease access to market, consistent with binding constraints identified in the SCD: focus on selected agropole tentatively include (i) the area of Segou in order to increase irrigated agriculture and the production and productivity of cereals (rice, maize, sorghum, millet) and horticulture as well as ease smallholders' access to market, and (ii) the area of Sikasso to support agro-industry projects and secure raw material and inputs supplies through productive partnership between smallholders and agro-industry players. The approach consists of supporting a large scale pilot project to experiment the factor of success for a productive partnership between big player and

smallholders and thereafter piloting solution in terms of policy, legal and regulatory approach as well as communicate on success that can be scaled up or duplicated.

114. ***The regional Sahel Irrigation Initiative will contribute to the WBG's support to agricultural transformation.*** Building on the Dakar Conference on Irrigation of 2013, the Bank has initiated a regional technical assistance to support harmonization of institutional arrangements and capacity building of relevant organizations. The TA is expected to lead to a regional financing program. Targeting six countries in the Sahel, this regional operation will create opportunities for large and small operators and contribute to higher yields through the promotion of irrigated agriculture. The program will seek to achieve this through (i) work with government on policies (fiscal, trade) and water management/irrigation strategies, (ii) investments and access to finance activities (infrastructure investments financed by private, public and PPP interventions, support to larger agriculture operators and access to finance mechanisms for small producers); (iii) support to the introduction and development of irrigation technologies and innovative and efficient farming techniques (access to finance for irrigation equipment distributors, support to the development of efficient and sustainable distribution networks, quality certification schemes, etc.); and (iv) awareness raising and capacity building activities for actors of the value chain, with a focus on producer associations.

115. **Mali is a priority country for MIGA, in line with two of the agency's key strategic objectives:** supporting projects in IDA countries and projects in post-conflict and fragile environments. Currently, MIGA has one active project in Mali that is guaranteed for investment; the project represents a gross exposure of US\$11.4 million and supports the telecoms sector. MIGA continues to offer its product for investors looking to enter the local market, thus supporting its own and the WBG's wider objectives in the country. MIGA's support for Mali will continue to be offered across its Transfer Restriction, Expropriation, Breach of Contract and War and Civil Disturbance political risk insurance product lines. As occurs elsewhere in Africa, these product lines can be used alongside other World Bank products, for example, IFC investments or PRG (Partial Risk Guarantees) support; or to directly support Government PPPs or Independent Power Projects. MIGA will also look to use the donor-supported Conflict Affected and Fragile Economies Facility (CAFEF) to alleviate concerns in the private sector about the risk of operating in a more challenging environment.

Knowledge Program

116. ***New IDA and IFC knowledge and technical assistance programs are planned: financial sector reforms and capacity building of agricultural borrowers and lenders are critical to achieving productivity gains in the agricultural sector.*** A recently requested Financial Sector Assessment Program (FSAP) will guide WBG's engagement in the financial sector, based on priorities and demands from government. The IFC, with its Business Edge technical assistance activity, will provide technical assistance in basic management and financial skills to farmers. A wide-ranging program of technical assistance to financial sector regulators, including in microfinance and financing for agriculture, could strengthen the soundness of the system and would help shore up the environment for creditors' rights, as well as enhance the registration of

collateral and borrower information, which has been identified in the SCD as a binding constraint for financial sector development.

Objective 2.3: Improve Infrastructure and Connectivity for All Malians

117. **An inequitable distribution of public resources has led to service delivery inadequacies and is a cross cutting binding constraint.** Evidence of gross inadequacies in service delivery are ample: the quality of primary education is worrisome, vaccination rates are low, road infrastructure is not maintained, roadblocks are plentiful and the telecommunication industry lacks competition. The Office du Niger's potential is under-realized, fertilizer subsidies lack traceability, large parts of the country are insecure and PFM practices are bureaucratic and inefficient.

118. **The SCD identifies connectivity as a critical constraint to lifting most Malians out of poverty and building the foundations for economic transformation, while energy is critical to enabling transformation of the economy.** Beyond the strong focus on quality and efficiency of education and health services, the WBG will continue to have a strong involvement in energy, water and ICT, with a renewed focus on access. The SCD also links the absence of peace and stability in the north to poor governance practices. Mali's citizen engagement is low and accountability is extremely limited.

119. **In particular, the SCD highlighted benefits of ICT in improving labor market efficiency and producer welfare.** Enhanced and generalized telecommunication tools (e.g. mobile phones) improve productive efficiency by allowing firms and service providers to better manage their supply chains and delivery of services. In addition, ICT can strengthen resilience to crises such as floods or drought, as for instance mobile phones facilitate communications and money transfers among social networks and geographic areas in response to shocks.

Ongoing Program

120. **Analytical work conducted on sector assessment and the need for a second wave of ICT reforms to unleash sector growth will guide policy reform targets and further engagement.** Mali's ICT is an important and growing sector: its contribution to GDP increased steadily to 6.3 percent in 2012 providing jobs to 45,000 people in 2013. With its first wave of sector reform, Mali has truly taken advantage of its potential in the mobile telephony and mobile payment segments. Mobile telephony penetration rate is high compared to other countries in the region. This explosion in the number of mobile subscribers has been accompanied by an increase in the subscriber traffic, reflecting a real need for telephone services in the population. There are 83.5 percent of households, which now have access to mobile telephony in Mali. Malian mobile networks cover the main cities of the country and almost all of the road network. However, this good performance could not be consolidated by an effective market entry of the third operator (which got in January 2013 an operating license, but has not yet entered the market) resulting in the formation of a duopoly: price levels are still high compared to purchasing power and there remain issues of service quality and coverage, particularly in the poorest areas. This duopoly in mobile telephony is also a major threat to Mali's ability to prepare the ground for broadband

Internet, which will be an important sector of the economy in the coming years. The Internet can be a development accelerator if it is fast, affordable and permanent. Making the Internet accessible to the greatest number involves open access networks, and the establishment of public-private partnership in the event of market failures. Ensuring open and safe access to the Internet will also bring new challenges that will require greater international cooperation among all stakeholders. Mali is therefore at a decisive moment for the continued growth of the electronic communications sector. Policy reforms will contribute to increased competition in the sector that can be expected to put downward pressure on mobile voice and broadband prices and foster quality improvements, making access more affordable and more ubiquitous to all households and businesses in the territory of Mali.

121. The WBG will continue supporting initiatives that intend to tackle Mali’s bottlenecks in international connectivity through leveraging the power transmission lines. The WBG (with financing from PPIAF) has supported the OMVS/SOGEM in assessing strategic options to resell the excess capacity on its fiber optic network (running along the electricity grid through Mali, Senegal and Mauritania and potentially connecting to several submarine cables landing stations) to telecoms operators and service providers in the region. Pursuing this opportunity, which was endorsed by the OMVS Council of Ministers in March 2015, could scale up the competitive intensity in the wholesale international capacity market in Mali, with cascading effect on the retail Internet broadband prices and thus affordability of access to Internet services. The WBG will also support Mali in leveraging the fiber optic excess capacity on the proposed West Africa Power Transmission (WAPP) network which serves the ECOWAS region.

New Program

Financing Program

122. *New energy guarantees Kenié and Scatec introduce renewable energy in Mali’s production portfolio.* Both guarantees were signed in June 2015 and prospects that agreements with private sector investments will be closed are good. Delivery of modern energy services will be achieved by targeted investments in renewable energy generation and transmission networks to diversify the energy mix, lower the country’s dependency on imported fuel and address systems bottlenecks, with direct impacts on reducing *Energie du Mali* (EdM) subsidies, which in turn will free fiscal space for pro-poor programs. Investments will progress in parallel with policy reforms and improved EDM performances to ensure long term sector sustainability. During the CPF period, a joint operation involving IDA and IFC will provide a package of investments and guarantees to attract significant private sector investment and increase generation capacity from renewable energy sources through the Kenié hydropower project and Segou Solaire Project. Key legal agreements underpinning these transactions were signed in June 2015 and July 2015 respectively. Discussions are also ongoing to deploy the Scaling Up Solar program to support GoM in the development of solar projects in compliance with international best-practice. These operations will facilitate investments that will have long-lasting results beyond the period of implementation of the CPF.

123. ***The second phase of the regional Senegal River Valley Development Organization (OMVS) operation will contribute to rehabilitate the Manantali dam and increase its capacity.*** This will help improve the reliability of OMVS interconnected power system (composed of Mauritania, Mali and Senegal) through the support in rehabilitation works for Manantali hydropower plant and correlated transmission system as well as the financing one of the priority transmission lines from Kayes (Mali) to Tambacounda (Senegal). Agence Française de Développement (AFD, *French Development Agency*) has committed to finance the reinforcement of Manantali – Bamako transmission line (Mali). The project will also include technical assistance to Société de Gestion de l’Energie de Manantali (SOGEM) with a particular focus on Operations and Maintenance of the existing and future hydropower assets. This will proceed in parallel with the restructuring of the Banda Gas to Power Project, approved during the ISN period, aiming at optimizing imports for cheaper energy resources. WBG intervention will complement investments agreed between the government and China as part of the MoU signed in September 2014. China’s investments will focus on strengthening of capacity in the network in the peri-urban area of Bamako. These programs will be complemented by public-private partnerships (PPPs) aiming at increasing the participation of the private sector in the development of targeted infrastructure projects; and emphasis will be placed on improving the legal, institutional, financial, and technical framework in Mali as well as the country’s generation capacity. Under the CPF, any additional support in generating capacity will be sequenced with adaptive, opportunity driven and incremental policy reforms, which the WBG may support, if the opportunity arises, with the most appropriate instrument.

124. ***An additional financing to the Kabala-Bamako Water Program will scale-up access to water supply in rural areas and in secondary cities.*** The Bank is the leading partner in the multi-donor Kabala program, and the first and main donor to disburse under the program. High demographic growth, increasing rural-urban migration and limited development of urban infrastructure and services growing from large rural centers demands urgent investments to improve the institutional setting and expand access to clean water in a financially sustainable way, building capacity of the newly created water utility and further expansion of water services throughout Mali. Through its engagement in water supply the Bank will initiate a new engagement in sanitation, in cooperation with relevant partners, to limit the resurgence of epidemics by improving general health conditions and to mitigate the risk of flooding and landslides.

125. ***Access to services and markets in areas of agriculture production will be integrated in investments supported by the WBG.*** Interventions will also involve expanding mobile and internet connectivity and developing ICT-based-applications – including e-vouchers and information systems for agriculture – by developing ad-hoc ICT-based applications. The development of these applications will be designed in conjunction with operations mentioned above under 2.1 and 2.2, in the view to contribute to productivity increases.

126. ***Regional Bamako-Dakar Railway.*** Ongoing dialogue between the Governments of Mali and Senegal and the concessionaire are expected to lead to an agreement on the restructuring of the concession and financing of the rehabilitation of the link. The WBG plans to support together with other partners.

Knowledge Program

127. **The Government of Mali has expressed interest for support to leverage ICT for growth and jobs under its national ICT Strategy (“Mali Numérique 2020” or Digital Mali 2020), to the preparation of which the WBG already contributed.** The Bank will therefore continue its dialogue with the authorities, started several years ago, together with development partners and the private sector to foster ICT sector development in the coming years. Specific focus will be put on the dimensions of access to the services (Universal Service in the rural areas), affordability of the services (strengthened competition) and innovative/disruptive services (new applications, Mobile Money, Open Data, etc.) that can develop the potential for transformation of other key sectors of the economy that the WBG will address in the context of this CPF (e.g. agriculture).

Area of Focus 3: Build Resilience

Expected Outcomes: with its ongoing and new program under Area of Focus 3, the WBG expects to use the CPF to establish more effective education and health services, as well as safety net systems and risk management and assessment mechanisms.

128. **In the longer term, improving the productive capacity and market integration of farmers and pastoralists will promote resilience to climate change and fragility.** Weather variability (aggravated by climate change) and conflict are two of the main risks affecting poor households. Improved (drought-resistant) seed and (small scale) irrigation increase productivity and reduce dependence on variable weather. Productive, profitable employment in agriculture has been shown to reduce the incidence of violence and conflict.

129. **Recurrent exposure to uninsured shocks remains a structural impediment to rural development requiring action on several fronts, including building human capital and strengthening safety nets.** The performance of crop and livestock sectors is volatile due to their high exposure to weather, price and health risks. Land pressures from rapid population growth, food and livestock price volatility combined with ever-more extreme climate conditions are principle risks along with health shocks. Adverse movements in agricultural commodity and input prices, together with production related shocks (from weather, pests and diseases), not only impact farmers and pastoralists, but also the secondary sector, as well as the Government’s fiscal position. Unmitigated, exposure to these shocks leads to a cycle of shock-recovery-shock and remains a major impediment to the development of the rural sector. Adequate water and energy management, grain storage and health and education services can reduce the country’s exposure and sensitivity to shocks, while well-targeted transfers (conditional or no) can increase adaptive capacity, all of which increases long-term resilience. Below are described the human capital and safety nets and risk management dimensions of this area of focus.

130. **Many options exist to reduce farmers’ and herders’ exposure and sensitivity to shocks.** Market integration can reduce exposure to price risk and promote food availability during weather shocks. Grain storage strategies can also mitigate farmers’ exposure to price shocks. In the livestock sector, meanwhile, improving the mobility of livestock herds can reduce exposure to

weather shocks. Natural resource management strategies including soil management, water management, and irrigation capacity also contribute to resilience.

131. **Social protection schemes, including adaptive safety nets and affordable insurance schemes, increase coping capacity.** Well-targeted transfers (conditional or not) can increase adaptive capacity. Crop and livestock insurance can compensate losses; however, to date these programs have had only isolated successes at the pilot stage. Scaling up successful insurance pilots would require strategies to overcome the barriers to adoption such as: credit constraints, financial literacy, and basis risk.¹⁶

132. **Low levels of human capital and other basic services offer another reason for low private returns to economic activities.** The urgency to reduce poverty rapidly implies that there is a preference for actions that have a relatively rapid return: improved extension services, water and sanitation, skills development for youth, adult literacy and health improvements resulting in reduced anemia and malaria reduction can be expected to have a short term positive consequences for productivity. In the longer-run, improving girls' education, quality of basic education and infant and child health and nutrition will be critical to the sustainability of poverty reduction efforts.

Objective 3.1: Develop Human Capital

133. **The SCD recognizes the importance of improving Mali's low human capital to achieve economic transformation and increase resilience.** Mali's efforts to reduce poverty depend on its ability to increase human capital, including decreasing the dependency ratio and reducing the social impact of a rapidly growing population. In an agrarian economy like Mali's, where initial growth in productivity will need to come from its agricultural sector, investments in health and education are extremely important. The effects of education and health on economic growth and poverty reduction, including through improved resilience to shocks, have been documented above. The Bank will continue to pursue a two-pronged approach to improve human capital focused on improving access to education and health care (including reproductive health and family planning) and nutrition services in rural areas, with a specific attention to the poorest and to women and girls, while supporting higher efficiency and quality of education and health services. This approach will be pursued through both its existing and new programs as detailed below.

Ongoing Program

134. **The WBG has an ongoing program of lending and non-lending activities, both national and regional, on education and health that are expected to contribute to the CPF Areas of Focus.** The ISN put adequate emphasis on the need to rebuild Mali's human capital and address demographic growth for long term recovery. As a result, a strong portfolio that includes operations in basic and higher education, reproductive health, and building skills for youth

¹⁶ Basis risk is the difference between an individual insurer's loss portfolio and the index that is used to calculate the price of the insurance product.

employment exists. Regional operations have complemented this program and include the recently-approved Sahel women empowerment program and Sahel neglected tropical diseases and malaria health operations. Knowledge products were planned and delivered during the ISN to understand the causes of the crisis and assess its impact on human capital, both in the short term and in the long term, such as the programmatic study “Mali: Impact of the Crisis on Social Sectors”.

135. Through its ongoing Education for All program and Higher Education and Skills Development for the Youth operations, the WBG will continue to support access to quality basic education and skills development. Improved access to and enhancing the learning environment of basic education will include rebuilding and rehabilitating facilities as well as supporting teacher training and schools’ management committees (*Comités de Gestion Scolaires – CGS*). There will also be continuous focus on the promotion of literacy, basic, intermediate and advanced skills development and private sector-led jobs for in- and out-of-school young people. Strong emphasis will be put on the skills required for the development of agriculture, livestock and other priority sectors, as well as sub-sectors of the identified livelihood areas and the integration of young people (especially girls) into the labor market to further lay the basis for long-term recovery and resilience.

136. In health, the WBG program has supported the ISN objectives through focus on improved supply of and demand for maternal and child and reproductive health care and will continue to do so in the context of the CPF. The health and demographic agenda will be maintained through an ongoing national operation which includes a focus on improving the demand for family planning and other reproductive health services, as well as regional operations, which focus on improving women and girls’ empowerment to make decisions regarding family planning, reproductive health, and access to education; and working regionally to ensure adequate supplies and qualified staff are available throughout the Sahel, because of the need to continue addressing population growth to achieve longer-term recovery and growth.

New Program

137. Building on an important legacy knowledge and financing program in education and health, the CPF will introduce a new approach, shifting from broad-based expansion more on quality, efficiency and equity of service delivery. In education, this entails shifting focus from the expansion of basic education to improving its very low quality. This will involve supporting early childhood education and focusing on improving the quality and efficiency of service delivery through policies and tools that help rationalize and make more accountable education services, including, among others, publishing and sharing at all levels results of service delivery, expenditure tracking and user satisfaction surveys, building on the results of the ongoing Public Expenditure Review on Health and Education (see Area of Focus 1). It may also involve results-based financing approaches and, building on the results of the recent education resilience assessment, strengthening community capacity, through school (the promising CGS, which provide means for parents, teachers, administrators, and other stakeholders to participate in the management of schools) and non-school based bodies, to monitor resources and results on the ground (including using ICT-based applications). A similar approach will also inform Bank

programs in health, including by building on a results-based financing pilot and the experience of community healthcare centers (the Mali's *Centres de Santé Communautaire – CESCO*), which are managed through community health associations, known as ASACO (*Associations de Santé Communautaire*), in a way similar the community-school management committees manage schools) and initiatives, while also putting more emphasis, to the extent possible, on addressing the economic constraints of the poorest households to access to services in geographic areas where this is most relevant.

138. **For both education and health, the approach will largely build on the existing projects complemented by new analytical work.** In education, most interventions will be supported through the Education for All Project. In health, supporting better and higher demand for services may entail a possible support to cash transfers conditional on health care attendance, channeled through a strengthened safety net system (see below, Area of Focus 3.2). Equitable access to preventive and curative services for high cost diseases, including by building on community-based initiatives, will also be supported through a recently-approved Sahel regional program on neglected tropical diseases and malaria control. Complementary analytical work includes impact evaluations of promising early childhood initiatives, completing the planned Service Delivery Indicators surveys (in particular in education), and a new public expenditure review on education and health aiming at assessing the adequacy, efficiency and equity of spending in the two sectors with an analysis of the key public financial management, decentralization and broader service delivery issues to be addressed to improve those dimensions. The results of the analytical agenda will inform the Bank's policy dialogue in these sectors, as well as the conceptualization and/or execution of the two sectors' ten year plans. Furthermore, the analyses will identify possible areas of support and policies to be supported through policy leading and/or results oriented lending.

Objective 3.2: Strengthen Safety Nets, improve Risk Management Mechanisms for the Poor and Vulnerable and Adapt to Climate Shocks

139. **The SCD identifies vulnerability to risks as a key constraint to poverty reduction. To achieve the resilience objective, the WBG program intends to help strengthen safety nets and risk management mechanisms for the poor and vulnerable.** Safety nets systems will be used not only to channel direct cash transfers (either conditional or non-conditional), but also to support public works and income generating activities to help the chronically poor and the vulnerable. The mix of interventions will support promoting consumption, investment and building productive assets as a way to increase resilience and sensitivity against shocks and therefore structurally reduce poverty. Poor and vulnerable households are cash constrained and cannot afford to adopt high return processes or risk, while incentives push towards allocating assets to reduce risk exposure, trading off expected gains for lower risk.

140. **The WBG will also support the country to develop and expand financial instruments, while reinforcing the capacity of poor and vulnerable households, including small-farmers organizations to adopt technology and connect to business opportunities.** In addition, WBG interventions on climate change will aim to alleviate negative climatic shocks and indirectly increase resilience for the vulnerable.

141. **Efforts to reduce weather and market risk programs will include support to smallholder productivity (fertilizers, extension services) and capacity building for local associations.** Rural roads and irrigation maintenance and small water points' construction will benefit from the current SSN strategy, thus creating incentives for beneficiaries to contribute paid work for community priorities.

142. **Risk mitigation mechanisms and SSNs can complement productivity enhancing approaches to poverty reduction.** SSNs can be used as short term instruments to help the poor cope with economic shocks. They can also be used as long-term poverty alleviation programs, supporting minimum consumption levels and promoting the accumulation of human capital. Moreover, as highlighted in a recent policy note on social protection (part of the assessment on the impact of the crisis on social sectors), there are different pathways through which SSN can contribute to poverty reduction and growth: (i) by affording households access to a regular and predictable income; (ii) by inducing better physical and human capital investments by addressing some of the market imperfections caused by constraints in obtaining credit, inputs, insurance, and from information asymmetries; (iii) by helping households to better manage risk ex ante, and cope with risk ex post, thereby decreasing the need for adverse coping mechanisms; and (iv) through the creation of community assets via public works that can protect households from adverse climate shocks.

143. **The CPF program will bring forward ongoing efforts to mitigate environmental risks linked to climate change, in particular around the Senegal and the Niger River basins.** Preserving the highly productive inland Niger delta will also contribute to improving productivity in and around the river.

Ongoing Program

144. **The WBG plans to continue to support the Emergency Safety Nets “JigisemeJiri” cash transfer program to protect the chronic poor households through:** (i) continued direct transfers to chronic poor households; (ii) expansion of the social registry (data base of poor and vulnerable) that links potential beneficiaries to multiple programs targeted to this population; and (iii) an increase in the coverage of the monitoring and information system. The project will also continue to support nutrition interventions through its nutrition pilot.

145. **The ISN identified the impact of climate change among the drivers of fragility that led to the 2012 crisis.** As a result, the WBG's crisis response program under the ISN supported both national and regional activities to address climate change adaptation as part of regional programs for the Niger and the Senegal River basin, as well as in support of natural resource management in areas in Mali, where the impact of desertification and deforestation created the highest risk of degradation for the country's unique natural resources.

146. **The SCD identified risks linked to climate change among the constraints to reducing poverty and creating economic opportunities.** Lower flows in the Niger River, the country's

lifeline, contributed to drought and widespread distress in the center to northern part of the country between the late seventies and the early nineties.

New Program

Financing Program

147. ***Additional Financing to the ongoing Emergency Safety Nets “JigisemeJiri” cash transfer program, funded by DFID.*** The WBG plans to expand current engagement on social safety net (SSN) towards an enlarged Adaptive Social Protection (ASP) program to increase livelihoods and resilience of the poor and vulnerable. Additional financing to the on-going safety nets program is planned during the second year of the CPF. In addition to scaling-up activities, disaster risk reduction and climate change adaptation will be included in the new program to both reduce vulnerability to climate change and disaster risk and to provide a greater range of livelihood for the poor and vulnerable population. The proposed additional financing will come from DFID through the Sahel Trust Fund (possibly to be complemented by IDA in the outer years of the CPF) and it will build on the ongoing geographic info-system, benefiting from the National Social Protection Strategy supported by the Bank. The additional financing will introduce cash for work programs, as well as generate income around existing public works and agriculture programs.

148. ***Niger River Program to limit climate change vulnerability shocks.*** The Inner Delta of the Niger River is home to close to 2 million people. Intervening in this area is expected to be a cost-effective way to mitigate climate shocks while creating economic opportunities. The proposed Economic and Environmental Rehabilitation of the Niger River Project aims at improving sustainable management of the river particularly in the Inner Delta of the Niger River and at helping revitalize the main economic and environmental functions of the river. Improving navigability will enhance resilience to climate change by facilitating transportation of people and goods and hence access to markets; improving channelization will allow more areas to be flooded during high water periods which will mitigate drought effects on agriculture, including fishing and cattle-raising; and river bank protection will improve ecosystem functions as well as security and livelihoods. This program is part of a broader regional effort for the whole Niger Basin, building on the WBG’s ongoing long-term support to the Niger Basin Authority, to prepare a Niger Basin Climate Resilience Investment Plan for presentation at the COP21 Climate Change conference, identifying priority investments to strengthen the resilience of Niger Basin ecosystems, infrastructure and institutions. The focus on the Niger River has also led to the development and implementation of a regional project, the Water Resource Development and Sustainable Ecosystem Management of the Niger River Basin Project (PDREGDE in the French acronym) that includes a number of interventions in Mali. These interventions are related to the institutional dimensions and include also a set of activities focusing on the sustainable management of degraded ecosystems. In particular the project is implementing development activities in the areas of; efficient flood recession agriculture; support to traditional fishing; rehabilitation of *bourgoutiere* (water meadow pasture), a very important cattle feed in the Inner Delta Area; and river banks rehabilitation and strengthening.

Table 2. CPF Knowledge Program FY16-FY17

SCD Knowledge Gaps	CPF ASA Program
Area of Focus 1: Improve Governance	
<ol style="list-style-type: none"> 1. Reliable data on household consumption and incomes 2. A prioritized plan for peace and development interventions in the north 3. Security – operational prioritization 4. Inefficiencies in infrastructure development 	<ol style="list-style-type: none"> 1. Welfare monitoring 2. Post-conflict needs assessment 3. Decentralization and Integrated territorial development TA 4. Construction TA with IFC Investment Climate Program 3
Area of Focus 2: Create Economic Opportunities	
<ol style="list-style-type: none"> 1. Identifying investment packages in smallholder agriculture 2. The land question 3. The impact of rural roads on poverty reduction 4. The constraints to the emergence of small and medium scaled enterprises 	<ol style="list-style-type: none"> 1. Agricultural productivity for smallholders 2. ICT policies and applications 3. Access to finance 4. IFC PPP TA
Area of Focus 3: Build Resilience	
<ol style="list-style-type: none"> 1. Improving performance and quality in the health and education sectors 2. The impact of safety nets on long-term poverty reduction 	<ol style="list-style-type: none"> 1. DFID TF Social Protection Analytical Work

Table 3. CPF Financing Program FY16-FY17^{17*}

Planned Financing Program	Source of Financing (USD million)			FY	Partners	
	IDA	TF	IFC			
Area of Focus 1: Improve Governance						
SCD Binding Constraint 1: Weak Governance						
Second Recovery & Gov. Ref. Support DPO	40			FY16	<i>Partners: AfDB, Germany, EU, Switzerland, France</i>	
DDR	10	15		FY16		
New Poverty DPO series	40			FY17		
Statistical support	10	5		FY17		
Area of Focus 2: Create Economic Opportunities						
SCD Binding Constraint 2: Low Productive Capacity of Poor Farmers and Pastoralists						
Kénié-Scatec PRGs	10		x	FY16	<i>Partners; IsDB (Energy); AfDB, EU, BOAD, IsDB, Germany, France, USA, Canada (Agriculture); AfDB, IsDB, BOAD, EU, France, Luxembourg (Water and Environment); China, Korea (ICT)</i>	
Competitive value chain development	30			FY17		
IFC-IDA Joint Business Plan			40	FY17		
Agricultural productivity for smallholders	tbc			FY17		
<i>Niger River Program**</i>	tbc			FY17		
AF Water and Sanitation in secondary cities	30			FY17		
Regional*						
Energy OMVS	16.6			FY17		
Sahel Irrigation	8			FY17		
<i>Bamako-Dakar Railway**</i>	tbc			FY17		
Area of Focus 3: Build Resilience						
SCD Binding Constraint 3: Exposure to Uninsured Risks						
AF Emergency Safety Nets project (DFID)		10		FY17	<i>Partners: AfDB, IsDB (Social Protection); AfDB, AFD, UNICEF</i>	

*Program envelopes refer to national IDA financing only.

** Programs are subject to availability of resources from IDA or other financiers.

Ongoing Financing Program
Area of Focus 1: Improve Governance
SCD Binding Constraint 1: Weak Governance
Urban Local Government Support
Governance and Budget Decentralization TA Project
Area of Focus 2: Create Economic Opportunities
SCD Binding Constraint 2: Low Productive Capacity of Poor Farmers and Pastoralists
Reconstruction and Economic Recovery in the North Emergency
Agricultural Productivity
Transportation Sector Project 2

¹⁷ The amounts shown for years beyond FY16 are indicative only. The actual allocations will depend on: (i) the total IDA resources available; (ii) the country's performance rating, per capita GNI, and population; (iii) the terms of IDA assistance (grants/credits); (iv) the allocation deductions associated with MDRI annual debt service foregone as applicable; (v) the performance, other allocation parameters, and IDA assistance terms for other IDA borrowers; and (vi) the number of IDA-eligible countries.

Rural Electrification Hybrid System
Energy Support Project
Natural Resources Management in a Changing Climate GEF-IDA
Bamako Water Supply Project
Regional
West Africa Agricultural Productivity
Banda Gas PRG
Senegal River Basin
Niger River Basin
Sahel Pastoralism Support
Area of Focus 3: Build Resilience
SCD Binding Constraint 3: Exposure to Uninsured Risks
Skills Development and Youth Employment
Emergency Safety Nets Project
Emergency Education for All Project
Strengthening Reproductive Health
Higher Education Support Project
Regional
Sahel Women Empowerment
Sahel Neglected Tropical Diseases

H. Implementing the FY16-FY19 CPF

149. **Mali is expected to remain an IDA recipient throughout the CPF period.** The financial envelope will cover two IDA periods: IDA17 (FY15-17) and IDA18 (FY18-19), with the IDA mid-term review falling in the first year of CPF implementation. The financial envelope is subject to the CPIA exercise and resource availability in IDA18. The amounts shown for years beyond FY16 in Table 3 are indicative only. The Bank Group intends to act as catalyst for other partners and maximize IDA resources by leveraging donor partners' support. In addition, the Bank plans to work more closely with non-traditional partners to both improve coordination and planning of development interventions and leverage resources. Through development policy and technical assistance, the WBG will support specific policy actions expected to have the highest impact on the CPIA rating of Mali.

150. **In direct support of the Algiers Accord, the CPF will encourage the development of strong partnerships at the local level.** The draft peace agreement envisages the establishment of autonomous regions and stronger representation in local governments at all levels. This new framework provides the WBG and partners with a platform for increased partnerships with local authorities going forward. While this framework is implemented, and to ensure its sustainability, the WBG intends to improve citizens' engagement using, amongst others, adaptive social protection as delivery mechanism and social accountability approaches, with a view to reaching beneficiaries and strengthening the demand for good governance.

151. **The Bank will retain flexibility in the program to fully support the implementation of the Algiers Accord.** Building an enduring peace is essential for reducing absolute poverty and promoting shared prosperity in Mali over the longer term. The peace agreement will remain fragile

unless commitments are delivered upon and the cleavages and other drivers at the root of the conflict are addressed, as the history of failed agreements in Mali shows. The Bank expects to support in particular by helping government to become more efficient in the implementation of necessary reforms, including to (i) bring resources and capacities closer to beneficiaries at the regional, municipal and community level; (ii) target unemployed youth by providing market-relevant skills and opportunities to develop entrepreneurship; and (iii) work at community level through adaptive social protection systems to create jobs and revenue-generating activities for reconstruction and public works.

152. Successful implementation of WBG-supported activities in the North and in the large security-constrained areas requires redoubling efforts from the Government, its implementing agencies and the WBG. It also means maintaining a sense of the urgency of delivering results in these regions and employing alternative means for implementation and supervision where needed. All parties must commit to overcoming the contractual and procedural bottlenecks that have delayed progress and to adopting pragmatic solutions to limited state implementation capacity, weak infrastructure and difficult security conditions in Gao, Kidal and Timbuktu. Such solutions will likely include supporting further implementation by non-state actors and third-party supervision where access is limited due to security. It will also require assessing the need for additional operating budget to overcome the higher costs of working in insecure environments and finding ways to secure additional resources, potentially seeking trust fund resources.

153. The new peace agreement also offers entry points for a more calibrated and immediate international response in the north. The peace agreement comes with a renewed commitment by all partners – national and international – to engage and provide urgent support. The implementation schedule also offers a framework for coordination and prioritization, with a specific role for the WBG. In particular, it calls on the WBG to co-lead a prioritized needs assessment with the African and Islamic Development Banks. The assessment will result in a report outlining immediate priorities and cost estimates, implementation and financing arrangements during the interim period, and the information and monitoring system that will be used to understand and track impact. It also suggests that the resulting strategy of such an exercise will be presented to a pledging conference for financing, and that a multi-donor trust fund will be established to finance implementation.

IV. MANAGING RISKS TO THE CPF PROGRAM

154. The WBG’s new framework for operations risk management is based on the principle that risks should be assessed based on their impact on development results associated with the operational engagement. A core element of the new approach is to develop and regularly update operations risk ratings by using the Standardized Operations Risk-rating Tool (SORT), which will be used proactively in reviews and decision-making processes.

155. The signing of the Algiers Accord in May-June 2015 provides the appropriate framework to re-establish political stability and security. At the same time, many of the risks to achieving development objectives are directly associated with efforts to find a durable solution

to the conflict in Mali's northern regions. The potential impact of these risks on the proposed program could be significant. In particular, the CPF recognizes the following country risks as critical for the operational engagement:

- **Conflict risks.** The Algiers accord mark considerable progress in the containment of conflict and violence, however it is not expected to immediately lead to a stabilization of the North. Recent trends have also seen a spread of conflict and violence further south, extending the disruption of access to basic services and markets for the population living there as well. The government security apparatus has so far been unable to counter this trend and there is a real risk of growing fragmentation of groups and the reestablishment of local vigilante groups (as was the case during the 2012 crisis) in the south. This could further destabilize the country, fueling different types of local conflicts over resources.
- **Risks of political instability.** The longer the conflict in the North lasts, the longer it is expected to impact on stability in the rest of the country. The experience from 2011/12 shows how quickly public support for government can shift; reports of growing levels of insecurity in southern regions, regular protests in Bamako and growing crime levels in general are all indications of the risks of such a shift. Agreement in Algiers has required increased levels of inter-governmental fiscal transfers to all regions and minimum levels of representation of the Northern provinces in the Malian state. The majority of the population may find it difficult to accept higher levels of resources flowing from south to north.
- **Lack of progress on key governance reforms.** The SCD highlights the need for serious governance reforms to achieve the twin goals. Yet the experience of 2013, when there was a rapid return to business as usual following elections, is a cause for concern. The current situation has further diminished the ability of government to move forward with key reforms.
- **Economic risks.** The macro framework is already under strain, and the fiscal space is shrinking and will continue to do so in the event that insecurity spreads and the government's capacity to provide services and collect revenues diminishes further. Development partners are also expected to reassess their support and instruments for such support in the event of a prolonged crisis in the north and limited progress on the government reform agenda. Provision of budget support is in particular expected to be reassessed.
- **Risks linked to limited commitment to introducing key sector reforms are considered Substantial.** Reforms to the governance of key sectors, notably agriculture, irrigation and energy are estimated to have the highest impact on poverty reduction. At the same time, government's priorities are oriented towards urgent actions in support of the peace agreement over reforms that may appear less directly linked to the stability agenda. Building on the SCD, the CPF proposes to mitigate this risk by introducing a new series of DPOs directly addressing the binding constraints to poverty reduction, complemented by the Welfare Monitoring ASA aimed at instilling a focus on poverty in government interventions.
- **Risks linked to technical design of WBG-funded activities are compounded by security challenges.** Associated to this risk is a general risk of low institutional capacity for

implementation and sustainability. Incorporating lessons learned from implementing programs in Mali since the crisis, and in other fragile environments is expected to help mitigate these risks. These lessons include, in particular, simplification of implementation arrangements and close cooperation with partners on the ground. At the same time, Institutional capacity for implementation and sustainability is expected to remain at high risk in the long term and will require sustained efforts in governance and capacity building.

- **Environmental and Social risks are considered High. As recognized in the SCD, Mali is extremely vulnerable to climatic variability and the high incidence of drought.** Households dependence on rain-fed agriculture and on pastoralism makes rainfall patterns and levels hugely important. These patterns are changing as a consequence of global warming, but the precise changes are hard to predict. This change has exposed households to uninsured climate shocks, with the poor households being the most affected. The CPF plans long-term interventions in climate adaptation to mitigate such risks.
- **Fiduciary risks.** Risks that public financial resources are not allocated to their intended purposes or deliver poor value for money remain high. This has a potentially significant negative development impact through poor public expenditure effectiveness and efficiency. The WBG has a strong focus on strengthening fiduciary controls on the central and local levels, through a continued focus on governance of DPOs as well as ongoing investment operations and knowledge activities in support of decentralization, while continuing to work to improve public financial management capacity.

Table 4. Standardized Operations Risk-Rating Tool for Mali

Risk Categories	Rating
Political and governance	High
Macroeconomic	Substantial
Sector strategies and policies	Substantial
Technical design of project or program	Substantial
Institutional capacity for implementation and sustainability	High
Fiduciary	High
Environment and social	High
Stakeholders	High
Overall	High

156. **To mitigate security risks, the WBG has put in place efforts to more regularly and systematically collect and assess information about the evolving conflict situation closely with the UN and key partners.** In addition, implementation arrangements across the portfolio will be streamlined by combining project implementation units and joining supervision arrangements, relying on partners and remote supervision mechanisms in insecure areas. With regard to political

risks, new results monitoring arrangements are being introduced with direct participation of beneficiaries via mobile surveys and citizen engagement techniques to both ensure ongoing poverty monitoring and build demand for accountability. Furthermore, risks linked to lack of progress with the reform agenda and economic risks will be mitigated through a combination of continued governance-focused development policy operations, new poverty-focused DPOs addressing key sectors in combination with investment operations, and a new emphasis on decentralization.

157. More specifically, the CPF proposes to mitigate specific risks on a case-by-case basis, using a set of guiding criteria that span the portfolio and individual projects:

- **Understand and manage risks at portfolio level.** The WBG plans to monitor conflict and governance-related risks and vulnerabilities to the CPF systematically over time. Such monitoring will entail strengthening the M&E system to incorporate a monitoring of risks.
- **Programmatic engagement to promote critical reforms.** Some areas of reform are critical to reduce poverty and require immediate attention and long-term engagement.
- **Recognition of WBG's role.** The WBG is a significant actor and partner of government in Mali. In recognition of this role we will use an understanding of risks to more proactively engage government and other partners in a dialogue around how (i) these risks are changing and (ii) the scope for collective mitigation.

158. The full signature of the Algiers Accord on June 20, 2015 is expected to bring improvements to security in the North overall, though significant threats will most likely persist. An agreement has brought an end to conflict among the signatory armed groups, as well as attacks by some of these groups on civilians. However, particularly in Gao, Kidal, Timbuktu and northern areas of Mopti, much of the current security threat is due to the activities of non-participating armed groups, including traffickers and other criminal networks. The expansion of violent extremist groups is of particular concern.

159. Risks for effective implementation and the safety of government, project and WBG personnel will be closely monitored and addressed as feasible. The Bank will work closely with UNDSS, MINUSMA, and Malian authorities in this regard and may consider making additional arrangements to provide security for supervision in the North. Implementation and supervision will be limited to those zones considered secure enough, and third-party or reports-based supervision will be used where appropriate. The CPF introduces implementation arrangements that bring activities closer to beneficiaries with a transversal citizen engagement approach and beneficiary surveys for welfare monitoring and project supervision. These arrangements are expected to reduce risks linked to the volatile security. These arrangements will be strengthened under the Mali Reconstruction and Economic Recovery Project, the largest one for the North, which has been designed to implement through communities, which should mitigate security risks, while promoting social cohesion and sustainability of results.

160. **While the WBG remains committed to supporting implementation in the North, understanding that development efforts are vital to consolidate peace, a significant deterioration in security conditions and the possibilities for effective implementation would cause arrangements to be reviewed.** In such a situation, the WBG will discuss and agree with the government on how to proceed, including possible suspension or restructuring of activities in affected zones. During the first year of CPF implementation, a security officer will be based in Bamako, covering other countries in the Sahel as well.

161. **Perceived security risks, particularly for foreigners, in Bamako and other areas of the south have increased with recent extremist attacks in Bamako, Segou and Sikasso.** The Bank has tightened security restrictions for Bamako in recent months, as well as limiting missions, and will continue to monitor the situation and respond accordingly, with UN guidance; a security officer will be recruited in Bamako for Mali as well as Chad and Niger. As discussed above, a deterioration of conflict in the north could have spillover effects elsewhere, via social or political instability, though this is a possibility that would seem to fade with full signature of an agreement.

162. **The monitoring system that will be developed and rolled out as part of the needs assessment for the North will be a critical part of the Bank's risk management strategy.** Through an incremental approach to assessing risks and their evolution, the Bank will be better placed to build response mechanisms into individual projects. Continued government commitment to implement programs with support from national and international non-governmental partners will be essential for the WBG to continue its programs in the North and across all areas suffering from deteriorating security conditions. Should conditions worsen, the WBG will discuss and agree with the government on how best to proceed, which may include a temporary suspension of activities in affected zones.

Annex 1: CPF Results Monitoring Matrix

<p>Country Goals: Improving Governance Pillar 3 of Mali’s Growth and Poverty Reduction Strategy Paper (GPRSP) for 2012–2017 is “Institutional development and governance”. This pillar is expected to help make Mali a model of good governance. The strategic objective of the pillar is to consolidate the option of making Mali a well-governed, safe, stable, and peaceful country. The specific objectives of the pillar are to: (i) promote total peace in the country; (ii) improve the legal and judicial framework; (iii) continue modernizing the civil service; (iv) promote the development of regional centers and the participatory management of local communities (including land management); (v) develop cooperation internationally, regionally, sub regionally, and with Malians abroad; and (vi) improve public financial management and effectively combat corruption and financial delinquency.</p>			
<p><i>CPF Area of Focus 1: Improve Governance</i></p>			
<p>CPF Objective 1.1: Improve public resources management at the central and local levels Intervention Logic: Priorities of WBG engagement will aim at improving efficiency and pro-poor orientation of public expenditures, increase fiscal mobilization, strengthen transparency, oversight and accountability, including the ability of citizens to demand accountability to improve public service delivery, particularly those of direct relevance to the poor.</p>			
CPF Objective Indicators	Supplementary Progress Milestones	WBG Ongoing Program	WBG Planned Program
<p><i>Indicator 1.1.1:</i> Priority of poverty-reducing expenditures in percentage of GDP Baseline (2014): 6.1% Target (2019): \geq 6.1% continuous target</p> <p><i>Indicator 1.1.2:</i> Public transfers to deconcentrated and decentralized structures (in % of total revenue) Baseline (2014): 23.6% Target (2016): 27.5%</p> <p><i>Indicator 1.1.3:</i> Number of local government accounts judged annually Baseline (2014): 153 Target (2018): > 500</p>	<p><i>Milestone 1.1.1:</i> Percentage of urban local governments meeting minimum conditions for access to performance grant funds Baseline (2011): 0 Target (2017): 100%</p>	<p> Lending Portfolio</p> <p>P112821 Governance and Budget Decentralization TA</p> <p>P116602 Urban Local Government Support Project</p> <p> ASA</p> <p>Public Expenditure Review on Education and Health</p>	<p> Lending Pipeline</p> <p>P151409 2nd Recovery & Governance Reform support DPL (FY16)</p> <p>New Poverty DPO (FY17)</p> <p>DDR</p> <p>Statistical Support</p> <p> ASA</p>

<p><i>Indicator 1.1.4: Average public procurement delays (working days)</i> Baseline (2013): 94 Target (2016): <80</p>		<p>P149445 Legal & Technical negotiation support on EITI (TF)</p> <p>P151440 (TF) Stat Capacity Building Supervision</p>	<p>Welfare Monitoring</p> <p>Construction TA with IFC Investment climate program 3</p> <p>Post-conflict Needs Assessment</p>
<p>CPF Objective 1.2: Foster citizen’s engagement Intervention Logic: The WBG intends to strengthen transparency, accountability and participation.</p>			
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Milestones</p>	<p>WBG Ongoing Program</p>	<p>WBG Planned Program</p>
<p><i>Indicator 1.2.1: Citizen’s budget prepared and published</i> Number of annual citizen budgets prepared: Baseline (2014): 1 (enactment) Target (2016): 2 (enactment and execution) Target (2018): 4 (budget formulation, enactment, execution and audit)</p>	<p><i>Milestone 1.2.1: Grievance redress mechanisms are functional at the commune level</i> Baseline (2015): NA Target (2018): 65%</p>	<p> Lending Portfolio</p> <p>P144442 Reconstruction and Economic Recovery Project</p> <p>P116602 Urban Local Government Support Project</p> <p>P127328 Emergency Safety Nets project</p>	<p> ASA</p> <p>Decentralization and Integrated Territorial Development TA</p>
<p>Country Goal: Creating Economic Opportunities Pillar 1 of Mali’s Growth and Poverty Reduction Strategy Paper (GPRSP) for 2012–2017: the promotion of accelerated, sustainable, pro-poor growth that creates jobs and income generating activities. Under this pillar, Mali aims to increase agricultural production and support the emergence of agro-industries; to promote industry, small and medium enterprises (SMEs) and small and medium industries (SMIs), commerce and services; to facilitate access to credit and increase investment; to cover the country with a modern infrastructure network; and to support a job creation and income generating activities.</p>			
<p><i>CPF Area of Focus 2: Create Economic Opportunities</i></p>			

CPF Objective 2.1: Improve productive capacity and market integration of farmers and pastoralists			
Intervention logic: The WBG aims to improve incomes by increasing and diversifying the output of smallholder farmers and pastoralists, while introducing and reinforcing sustainable land and water management techniques. This will be achieved through technical assistance and regional programs that will support the pastoral economy and agricultural productivity, to increase production at smallholder level for a direct impact on the majority of the poor.			
CPF Objective Indicators	Supplementary Progress Milestones	WBG On-going Program	WBG Planned Program
<p><i>Indicator 2.1.1:</i> Cereals held in stock by women Baseline: TBD based on LSMS-ISA household survey¹⁸ Target: 30% over baseline</p> <p><i>Indicator 2.1.2:</i> Percentage of households reporting cereal sales Baseline: TBD based on LSMS-ISA household survey¹⁹</p> <p><i>Indicator 2.1.3:</i> Productive assets rehabilitated under the project utilized for economic activities one year post rehabilitation Baseline (2013): 0% Target (2018): 70%</p> <p><i>Indicator 2.1.4:</i> Average distance between functional water points accessible to pastoralists and agro pastoralists in targeted zones Baseline (2015): 50 kms Target (2021): 20 kms</p>	<p><i>Milestone 2.1.1:</i> Producers that have adopted the system of rice intensification Baseline (2010): 1% Target (2016): 30%</p> <p><i>Milestone 2.1.2:</i> Share of producers that have adopted new cowpea varieties in the target production basins Baseline (2013): 1% Target (2016): 50%</p> <p><i>Milestone 2.1.3:</i> Rehabilitated farm land Baseline (2013): 0 ha Target (2018): 2150 ha</p> <p><i>Milestone 2.1.4:</i> Functional water points accessible to pastoralists and agro pastoralists in targeted zones as a result of the project</p>	<p> Lending Portfolio</p> <p>P095091 Fostering Agricultural Productivity</p> <p>P144442 Mali Reconstruction and Economic Recovery</p> <p>P090075 Transport sector SIL 2</p> <p> Regional Portfolio</p> <p>P129565 West Africa Agriculture Productivity Prog. 2A</p> <p>P147674 Regional Sahel Pastoralism Support Project</p> <p> IFC</p> <p>Services Business Edge</p>	<p> ASA</p> <p>Agricultural Productivity for Smallholders</p>

¹⁸ The survey was completed in June 2015. The clean data set is expected to be ready in January 2016, from which the indicator will be drawn.

¹⁹ The same as above.

<p><i>Indicator 2.1.5: # of Ha of Land Irrigated</i> Baseline (2014): 177,000 ha Target (2020): 236,000 ha</p>	<p>Baseline (2015): 0 Target (2021): 60</p>	<p>Financial Education for Farmers</p>	
<p>CPF Objective 2.2: Agriculture value diversification Intervention logic: The SCD identifies opportunities to achieve transformation through the development and diversification into value added agricultural productions. The Bank with IFC, calling on MIGA where possible, will continue to support investment climate reforms, processing and value addition through the development of value chains or agri-based clusters but also integrated interventions in irrigation, ICT, transport and electrification. The IFC-WB Joint Business Plan (JBP) will describe joint action plan to support clusters in key subsector with a focus on “win-win” partnership between smallholders and big players aiming at increasing smallholders’ productivity and access to markets, consistently with SCD binding constraints.</p>			
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Milestones</p>	<p>WBG On-going Program</p>	<p>WBG Planned Program</p>
<p><i>2.2.1 Indicator: Power Generation (GWh)</i> Baseline (2016): 0 Target (2019): 630 GWh²⁰</p> <p><i>2.2.2 Indicator: Access to Finance (Leasing):</i> Number of entities receiving in-depth advisory services Baseline (2014): 0 Target (2018): 30</p> <p><i>2.2.3 Indicator: \$ Value of investment in the agribusiness sector</i></p>	<p><i>Milestone 2.2.1:</i> Electricity delivered by SOMELEC to EDM at delivery point Baseline (2015): 0 GWh/annum Target (2018): 336 GWh/annum</p> <p><i>Milestone 2.2.2:</i> Access to Finance: New Loans and Outstanding Portfolio (Microfinance), of which are for women Baseline (2013): 991 loans Target (2018): 16,000 loans</p>	<p> Lending Portfolio</p> <p>P090075 Transport sector SIL 2 P108440 Energy Support Project P131084 Rural Elec. Hybrid system P095091 Fostering Agricultural Productivity</p> <p> Regional Portfolio</p>	<p> Lending Pipeline</p> <p>Competitive value chain development project (FY17) Kenie and Scatec PRGs IFC-IDA Joint Business Plan</p> <p> Regional</p>

²⁰ This estimate is based on the expected capacity of Kenie Hydropower (42 MW) and Scatec Segou (33 MW)

<p>Baseline (2014): 0 Target (2017): USD 40 million</p>		<p>P129565 West Africa Agriculture Productivity Prog. 2A</p> <p>Banda Gas to Power Guarantee</p> <p> IFC</p> <p># 33259 InfraV-Kenie</p> <p>#35853 InfraV Scatec Segou</p> <p>#598807 Africa Leasing Facility</p> <p>#600457 Micro credit Mali</p> <p># 600410 Mali Investment Climate 3</p> <p># 600777 Mali PPP</p> <p># 27564 GTFP Ecobank Mali</p> <p># 36071 Ecobank RSF</p> <p>#29470 GRIMAS</p> <p># 25896 Groupe AMI</p> <p># 35853 Scatec Segou</p>	<p>Sahel Irrigation</p> <p> ASA</p> <p>Access to Finance</p> <p> IFC</p> <p>IFC PPP TA</p>
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CPF Objective 2.3: Improve infrastructure and connectivity for all Malians

Intervention logic: The WBG interventions will focus on improving access to public services such as energy, water, and health. Delivery of modern energy services will be achieved by targeted investments in renewable energy generation and transmission networks to diversify the energy mix, with direct impacts on reducing Energie du Mali (EdM) subsidies to be redirected to pro-poor programs. The capacity of the energy sector will be increased

both through policy reforms and investments, including from private sector. Ongoing support to the sustainable expansion of access to water supply in Bamako will continue, with the Bank contribution aimed at expanding the network. Finally, The WBG health program will continue to support access to and quality of maternal and child and reproductive health care, with stronger emphasis on women and girls' empowerment and quality of service delivery. Quality and efficient reproductive health care delivery will be supported through evidence-based policy making and social accountability and results-based financing approaches.

CPF Objective Indicators	Supplementary Progress Milestones	WBG On-going Program	WBG Planned Program
<p><i>2.3.1 Indicator:</i> Number of people in urban areas provided with access to improved water sources Baseline (2013) : 0 Target (2018): 390,000</p> <p><i>2.3.2 Indicator:</i> People provided with access to electricity by hold connections-Other Renewable Energy: Off-grid Baseline (2015): 0 Target: (2018): 631,000</p> <p><i>2.3.3 Indicator:</i> Percentage of births (deliveries) attended by skilled health personnel Baseline (2011): 35 Target: (2017): 65</p> <p><i>2.3.4 Indicator:</i> Number of adolescents, women and men who have been reached by SBCC (social and behavior change communication) interventions Baseline (2014): 0 Target (2018): 760,000</p>	<p><i>Milestone 2.3.1:</i> New piped household water connections Baseline (2013): 0 Target (2016): 10,000</p> <p><i>Milestone 2.3.2:</i> Number of Public Solar lamps installed under the Bank program Baseline (2009): 0 Target (2015): 2,150</p> <p><i>Milestone 2.3.3:</i> Health facilities rehabilitated and functional (No.). Baseline (2010): 0 Target (2017): 200</p>	<p> Lending Portfolio</p> <p>P122826 Bamako Water Supply</p> <p>P108440 Energy Support Project</p> <p>P131084 Rural Electrification Hybrid System Project</p> <p>P124054 Strengthen Reproductive Health</p> <p> Regional Portfolio</p> <p>P131353 Senegal River Basin Climate Change Resilience Development Project</p> <p>Niger River Basin</p> <p>Sahel Pastoralism Support</p> <p> ASA</p> <p># 60777 PPP Mali PPIAF</p>	<p> Lending Pipeline</p> <p>Additional Financing Water and Sanitation in Secondary Cities [FY16]</p> <p>Kenie and Scatec PRG</p> <p>Niger River Program (tbd)</p> <p> Regional</p> <p>Energy OMVS 2</p> <p>Bamako-Dakar Railway (tbd)</p> <p> ASA</p> <p>ICT Policies and Applications</p>

		#590027 Mali HIA –Health (IFC AS)  IFC # 33259 InfraV-Kenie #35853 InfraV Scatec Segou	
Country Goal: Building Resilience Pillar 2 of Mali’s Growth and Poverty Reduction Strategy Paper (GPRSP) for 2012–17 states strengthening of the long-term bases of development and equitable access to quality social services, particularly by improving the availability and quality of education by developing access to knowledge and skills; ensuring access for all to quality health care; and maintaining a quality natural environment in urban and rural areas.			
<i>CPF Area of Focus 3: Build Resilience</i>			
CPF Objective 3.1: Develop human capital Intervention logic: The WBG education program will focus on quality of basic education, through service delivery reforms, while continuing to support rehabilitation in areas affected by the crisis and relevant post-basic skills for agriculture and livestock and other priority sectors and sub-sectors of the identified livelihood areas. The skill programs will contribute to create more employment opportunities for the youth.			
CPF Objective Indicators	Supplementary Progress Milestones	WBG On-going Program	WBG Planned Program
<i>Indicator 3.1.1:</i> Improved quality of education measured by the number of programs in participating HEIs that are proposed and developed with the private sector participation Baseline (2015): 45 Target (2019): 120 <i>Indicator 3.1.2:</i> Out of school youth who are employed or self-employed within one year of completion, out of which are female Baseline (2014): 0 End Target (2019): 70 %	<i>Milestone 3.1.1:</i> Number of national students enrolled in licensed programs at participating HEIs Baseline (2015): 10,000 Target (2019): 18,000 <i>Milestone 3.1.2:</i> Out of school youth who: -are enrolled in dual apprenticeship programs supported	 Lending Portfolio P123503 (TF) Emergency Education for All P151318 Higher Education Support P145861 Skill Development & Youth Employment	 ASA DFID TF Social Protection Analytical Work

	by the project, out of which females Baseline (2014): 0 Target (2017): 4,500 – of which 30% females	P144442 Reconstruction & Economic Recovery P124054 Strengthening Reproductive Health 🚦 ASA P146327 Effects of the Crisis on Social Sectors (PA)	
<p>CPF Objective 3.2: Strengthen safety nets, improve risk management mechanisms for the poor and vulnerable and adapt to climate shocks Intervention logic: The WBG will support the longer-term resilience of the poor and vulnerable households in mitigating exposure to the risks by increasing their financial and technical capacity through safety nets and other risk management mechanisms. Safety nets systems will be used to channel direct cash transfers, public works and income generating activities to the chronically poor and the vulnerable. Efforts to reduce weather and market risk programs will include support to smallholder productivity (fertilizers, extension services) and capacity building for local associations.</p>			
CPF Objective Indicators	Supplementary Progress Milestones	WBG On-going Program	WBG Planned Program
<p><i>3.2.1 Indicator:</i> Vulnerable households with access to cash transfers established by the Project Baseline (2013): 0 Target (2018): 62,000</p> <p><i>3.2.2 Indicator:</i> Increase in land area with Sustainable Land and Water Management (SLWM) practices in targeted areas Baseline (2014): 0 Target (2019): 10,748 Ha</p>	<p><i>Milestone 3.2.1:</i> Households with access to cash transfers established by the Project Baseline (2013): 0 Target (2017): 32,000</p> <p><i>Milestone 3.2.2:</i> Increase in land area with Sustainable Land and Water Management (SLWM) practices in targeted areas Baseline (2014): 0 Target (2017): 7,953 Ha</p>	<p>🚦 Lending Portfolio</p> <p>P127328 Emergency Safety Nets</p> <p>P145799 (IDA) NRM in a Changing Climate</p> <p>P129516 (TF) NRM in a Changing climate</p> <p>🚦 Regional Portfolio</p> <p>P150080 Sahel Women Empowerment and Demographics</p>	<p>🚦 Lending Pipeline</p> <p>AF Emergency Safety Nets Project (DFID)</p>

		<p>Sahel Neglected Tropical Diseases</p> <p> IFC</p> <p>#34765 Micro credit Mali</p> <p>#600457 Micro credit Mali (IFC AS)</p>	
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Annex 2: MALI Country Partnership Framework (CPF)
Completion and Learning Review (CLR)

Date of Country Assistance Strategy (CAS): December 12, 2007
CAS Report Number: 41746-ML
Period covered by CAS: FY08-11

Date of CAS Progress Report (PR): April 28, 2011
CAS PR Number: 61307-ML

Date of Interim Strategy Note: May 20, 2013
ISN Report Number: 76233-ML
Period covered by CLR: FY08-15

I. INTRODUCTION

1. **This CLR covers the period of the Country Assistance Strategy (CAS, FY08-11), the CAS PR (FY12) and the Interim Strategy Note (ISN, FY13-15).** The Country Assistance Strategy (CAS, FY08-11) was discussed by the Board of Executive Directors in December 2007. A Progress Report presented in April 2011 confirmed the strategic focus of the CAS and extended its implementation to FY12. The Interim Strategy Note (ISN, FY14-15) was discussed on May 20, 2013; it articulated its support for Mali’s transition from the political and security crisis of 2012. Lessons learned from the CAS and the ISN are distilled in this CLR and reflected in the CPF (FY16-19) under preparation.²¹

Table 1: Summary of CLR Ratings

CAS		
Bank Performance: Fair		
Strategic Objective 1	Strategic Objective 2	
Moderately Unsatisfactory	Moderately Unsatisfactory	
ISN		
Bank Performance: Fair		
Priority Area I	Priority Area II	Priority Area III
Not Rated (Outcomes not verified)	Moderately Satisfactory	Moderately Satisfactory

2. **In Mali, there were four presidential elections between 1992 and 2007.** President Amadou Toumani Touré won a second and last five-year term, and his party a substantial majority in parliament in April 2007. Elections were scheduled for April and May 2012, but were not held as a result of the coup d’état in March 2012. In early 2012, Mali was confronted by a multi-faceted crisis comprising: (i) institutional and political turmoil in the South; (ii) conflict and insecurity in the North; and (iii) a drought across the country, resulting in widespread food insecurity.

²¹ A CAS CR was completed for the CAS and CAS PR period and was included in the ISN as Annex 2. However, it was not reviewed by the IEG. This CLR reflects the analysis and findings of the CAS CR and covers the entire period of the CAS CR and ISN.

3. **During the CAS period, security sharply deteriorated in the northern part of the country, a vast area with limited population concentration and a lack of economic opportunities.** The area has historically depended on trans-border flows of goods and people, in particular with Algeria, Mauritania and Niger. Insecurity resulted from a regional confluence of illicit trafficking and global and regional terror networks and armed groups, which were connected directly or indirectly to a legacy of armed insurgencies in the region. The vast size of the territory, limited connectivity, and historical complexity of Mali's Northern provinces have made it difficult to keep them under control and to provide local populations with legitimate economic opportunities. To overcome the growing problems in the North, Mali has emphasized the need for a regional solution combined with well-targeted development programs tailored to the specific needs of the North.

4. **The political crises in Libya and Côte d'Ivoire have made Mali even more vulnerable to conflict and insecurity.** Before the 2011 events in Libya, the country had a strong presence in Mali and played a prominent role in the economy with major investments in several sectors, including banking, tourism, and agriculture. In addition, Libya's mediating role in the past was instrumental in resolving the conflict between Mali's central Government and the Touareg communities in the northern part of the country. As well as their common membership of ECOWAS and the West African Monetary Union (WAEMU), Côte d'Ivoire and Mali maintain strong economic, social and cultural ties. Côte d'Ivoire was Mali's biggest partner in the sub-region and its corridor was the channel for about 40 percent of Mali's trade. Finally, there are a significant number of Malians living in Côte d'Ivoire.

5. **Immediately following the coup d'état in March 2012, World Bank disbursements and lending activities were temporarily suspended (in accordance with OP7.30).** Beginning in June 2012, the Bank actively re-engaged with the country and an ISN FY14-15 was adopted in May 2013, based on dialogue with the Malian authorities, civil society and key bilateral and multilateral partners.

6. **The CAS was relevant to and aligned with the Government's Growth and Poverty Reduction Strategy Framework (GPRSF).** It had two strategic aims: (i) to promote rapid and broad-based growth; and (ii) to strengthen public sector performance. During the CAS implementation period, the Bank followed the overall thrust of the CAS but increased lending to respond to the food and fuel crisis in 2008. The CAS program contributed to the maintenance of macroeconomic stability and to improvements in public finance management. Progress was made in achieving the CAS objectives on agricultural diversification, transportation networks, and the provision of financial and telecommunication services. The outcomes under the second strategic objective of the CAS to strengthen public sector performance were partially achieved. Based on the positive results for the preceding CAS (FY08-12), in May 2011, the Bank Group extended the assistance strategy and program to FY12.

7. **The ISN reaffirmed the relevance of the GPRSF for 2012-17 (GPRSF-3) and outlined actions to support the Government's proposed transition plans.**²² The ISN included measures to meet both the immediate needs of the diverse populations across the territory and the longer-term challenges posed by the country's fragility, weak governance, and inadequate economic and social development by addressing three priority areas: (i) laying the foundations for long-term accountability and stability; (ii) protecting human capital and building resilience; and (iii) preparing the conditions for economic recovery.

²² These included: (i) the Priority Action Plan for 2012-17 (PAP) which accompanied the GPRSF-3; (ii) the Plan to Support Mali's Emergency Priorities (*Plan d'appui aux priorités d'urgence* or PAPU); and (iii) the Plan for Mali's Sustainable Recovery (*Plan de Rélance Durable du Mali* or PRED).

8. **In the ISN, each priority area included programs with a national reach, as well as targeted regional lending and non-lending activities.** By restructuring when necessary the existing portfolio, adding selected new projects, and carrying out extensive Advisory Services and Analytics (ASA), the Bank aimed to: (i) provide immediate support to meet the needs of populations across the country; (ii) initiate new activities to better address long-term governance challenges; and (iii) contribute to a better understanding of the drivers and impact of the crisis. The ISN was expected to lead to a full Country Partnership Framework (CPF) at the end of the ISN period.

9. **The ISN critically contributed to a broader response by donors to the crisis in 2013.** The preparation and adoption of the ISN in May 2013, along with the Recovery and Reform Support Credit, strongly contributed to the success of the Brussels donors' conference in May 2013. In retrospect, donor support (US\$4.2 billion pledged for the period 2013-15) proved to be highly instrumental in the success of the political transition process, which was spear-headed in January 2013 and concluded with fair and transparent general presidential and Parliamentary elections in early 2014, as well as to a strong economic recovery since 2014.

II. SUMMARY OF THE FINDINGS OF THE CLR

10. **The CLR is a self-assessment of the CAS FY08-12 and the ISN FY14-15 with respect to:** (i) the achievement of development outcomes; (ii) the performance of the World Bank Group (WBG); and (iii) alignment of the program with the WBG's corporate strategy.

Achievement of development outcomes

11. **Development outcomes overall are rated *moderately unsatisfactory*.** During the CAS period, there was progress in achieving a number of CAS objectives in the agricultural, transportation and financial sectors. However, there was a lack of progress on structural reforms in the cotton and electricity sectors, two key areas which directly impact the Government's ability to reduce poverty and improve macroeconomic management. Lack of progress in these areas counteracts steady progress made in other areas, which has a knock-on effect on both CAS strategic objectives (promoting private sector-led growth and strengthening public sector performance and service delivery).

12. **For the ISN, of the ten objectives identified in the results framework, two have been achieved, three have been mostly achieved, two have been partially achieved, and three lack sufficient information to make an assessment.** Progress has been made in achieving a number of the ISN's stated objectives: the ISN contributed substantially to maintain macroeconomic stability and accelerated the economic recovery after the crisis. There were achievements in strengthening controls on the budget and transparency, promoting pro-poor expenditures, and restoring financial sustainability and investment capacity.

13. **Results achieved under the ISN included unintended outcomes and critical policy dialogue.** Continued WBG presence throughout the crisis, despite security and implementation challenges, and a productive dialogue enabled the Bank to influence improvements in overall trust and transparency, which helped overcome, in close cooperation with all partners, the complex governance crisis in 2014.

Performance of the World Bank Group

14. **The World Bank Group's performance during the periods of the CAS and the ISN is rated as fair.** The CAS was generally aligned with the priorities of the Government in the GPRSF. It included a combination of programmatic lending and assistance through project lending (power and telecommunications) which in the past has been shown to be an effective approach to supporting structural reforms. During the CAS period, the Bank was proactive, increasing lending to help address the food and fuel crisis and responded timely to requests to increase analytical work and technical assistance on key issues, including women and youth education; electricity pricing policies, demographic and health issues, and public administration reform.

15. **The implementation of the Bank programs primarily followed the CAS, but increased lending in response to the food and fuel crisis in 2008.** The Bank increased its lending for FY08-11 from the programmed US\$462 million to US\$582.2 million, some of which was designed to mitigate the effects of the food and fuel crisis. Over the period FY08-11, the IFC invested in the financial sector, agribusinesses, services, and infrastructure. The commitment to these projects amounted to US\$45.7 million. The military coup in March 2012 affected WB/IFC activities.

16. **During the ISN period, the Bank's response to the crisis was rapid and the resulting lending and non-lending operations were appropriate.** Between June 2012 and June 2013, the Bank: (i) conducted a OP7.30 mission in June 2012 and a follow-up fiduciary assessment in August 2012; (ii) several fiduciary reviews, a Country Portfolio Performance Review (CPPR) and follow-on mini-CPPRs and monthly joint Government-Bank portfolio meetings, all of which allowed the Bank to bring the disbursement ratio to higher levels than before the crisis; (iii) launched a new ASA program aimed at rebuilding the knowledge base on the drivers of the crisis and its impact, covering fragility, service delivery, poverty, agriculture, infrastructure, health, and education; (iv) restructured the portfolio to redirect operations in response to the effects of the crisis; and (vi) prepared fast track operations in education, agriculture, safety nets, and a budget support operation.

17. **Implementation of the ISN program has been satisfactory.** The delivery of new operations has been very satisfactory, with nine of the ten new operations delivered as planned; twenty operations are currently effective in the portfolio with three in the pipeline compared to twelve in the period prior to the ISN. Initial implementation of these operations has, however, been slower than anticipated, with delays due in part to: (i) meeting the conditions for effectiveness due to the political transition that is ongoing in Mali; (ii) reliance on project implementation units within the sectoral ministries and a central unit in MOEF in charge of coordinating donor programs; and (iii) the decision to use country procurement procedures.

18. **Alignment of the program with the WBG's corporate strategy.** In both the CAS and ISN, lending and ASA programs were closely aligned with the Twin Goals of eliminating poverty and boosting shared prosperity. The Bank's program in Mali under the two strategic aims of the CAS was carefully designed to promote economic growth. The three priority areas under the ISN address the twin goals from several complementary perspectives, with a clear focus on fragility.

III. PROGRESS TOWARDS MALI'S LONG-TERM DEVELOPMENT OUTCOMES

17. **Mali was able to achieve an average annual GDP growth of 5 percent during the period despite adverse external shocks that preceded its implementation between 1994 and 2006.** This performance has been attributed to political and social stability since the transition to electoral democracy in 1992,

effective implementation of financial stabilization and economic liberalization policies, and a large influx of external assistance. This resulted in modest increases in per capita incomes and some improvements in human development. Mali remained dependent on gold exports (73 percent of total exports in 2008-2010) and rain-fed agriculture, which is subject to sharp variations in rain patterns. Despite progress on the macroeconomic front, the provision of social services lagged and in 2008, Mali ranked 168 out of 179 countries in the UNDP Human Development Index. Poverty had declined, although the poverty head count was still 43.6 percent in 2010. In spite of progress on the macroeconomic front and some reduction in poverty levels, however, successive governments found it difficult to introduce policies that would have resulted in structural changes to the economy.

18. **In 2007–11 the economy grew at an average annual rate of about 5 percent, a good performance in the context of international crisis, but short of the 7 percent objective.** Even though progress was made in social indicators, Mali did not meet most of its MDG objectives. At the end of June 2011, Mali had met all but one indicative target in the IMF program. The exception was the floor on priority spending, which was missed by 0.4 percent of GDP due to the overall under-execution of public spending (IMF Seventh Review of the Extended Credit Facility, 2012).

Table 2: Selected Economic and Financial Indicators 2008-2011

	2008	2009	2010	2011
National Income and prices				
Real GDP growth (percent)	5.0	4.5	5.8	2.7
Consumer price inflation (average - percent)	9.1	2.2	1.4	3.1
External sector				
Terms of trade (deterioration -) (percent)	36.3	15.9	-9.0	-7.9
Money and credit (contribution to broad money growth)				
Credit to Government	3.2	-13.9	2.5	5.1
Credit to the economy	5.2	7.2	8.4	15.7
Broad money (M2)	0.5	16.0	9.0	15.3
Investment and saving (percent of GDP)				
Gross domestic investment	19.1	20.3	18.4	20.4
Of which : government	7.5	10.8	7.9	8.9
Gross national savings	6.9	14.2	11.0	10.2
Of which : government	0.6	0.5	1.6	2.5
Central Government Finance				
Revenue (percent of GDP)	13.3	17.1	17.3	17.5
Grants (percent of GDP)	3.4	4.6	2.9	3.9
Total expenditure (percent of GDP)	21.2	25.9	22.9	25.1
Basic fiscal balance (WAEMU def.)	-0.3	-0.1	-0.1	-1.1
External sector				
Current external balance, excluding official transfers		-9.3	-14.8	-12.2
Exports of goods and services	29.2	23.7	25.9	25.7
Gold as percent of exports	68.8	75.9	76.0	80.0
Cotton as percent of exports	9.7	8.0	7.6	8.5
Debt service to exports of goods and services	3.7	5.5	4.5	4.0
Memorandum items:				
Nominal GDP (FCFA billion)		4,233	4,657	4,997
Overall balance of payments (USD million)		535.1	-41.3	40.6
Money market interest rate (percent end of period)		4.0	4.1	3.3
Gold price (USD/fine ounce London fix)		973	1225	1569
Petroleum price (crude spot) (USD/bbl)		61.8	79.0	104.0

Sources: Data from IMF Seventh Review under the Extended Credit Facility, February 2012 and Malian authorities. WAEMU definition of basic balance: total revenue (including grants) less current noninterest spending and net lending, externally financed capital expenditures and HIPC-financed spending.

19. **Mali made some progress towards poverty reduction.** The poverty headcount declined from 55.6 percent in 2001 to 47.5 percent in 2006 and 43.6 percent in 2010 although there continued to be clear regional disparity. The pace of poverty reduction slowed from an annual average of 1.6 percentage points in 2001-2006 to one percentage point in 2006-2010. This resulted from lower-than-projected growth while population growth, at 3.6 percent for 1998-2009, was higher than expected. Several key poverty indicators did not improve as much as expected. Acute malnutrition and emaciation (a low weight-to-height ratio) declined marginally over the GRSF period, affecting 8.9 percent of children under five in 2010 against 15.2 percent in 2006.

20. **Growth was relatively stable at 5 percent in 2008, 4.5 percent in 2009, and 5.8 percent in 2010, though it fell to 2.7 percent in 2011.** Growth resulted from several years of favorable rainfall, and record high prices of gold and cotton — the country's two main export products. Inflation declined after the price hikes following the fuel and food crisis and was 1.4 percent in 2010, below the 3 percent ceiling mandated for all member states of WAEMU.

21. **The Government managed its public finances reasonably well during the CAS period.** In 2010, Mali met five of the eight WAEMU convergence criteria on inflation, public debt to nominal GDP, payment of arrears, wage bill to tax revenue, investment financed from tax revenue and the external account balance to GDP. The 2010 overall fiscal deficit (including grants) was 2.7 percent of GDP compared to 4.2 percent of GDP in 2009 and the basic fiscal balance deficit also decreased, suggesting continued government discipline in managing the composition of expenditure. Fiscal revenue, which was about 14.6 percent of GDP in 2010 — below the WAEMU average of 17 percent. The stagnation of tax revenue was the result of delays in introducing changes to tax policy and tax and customs administration, as well as a consequence of the Government's reluctance to adjust domestic oil prices to international oil price levels out of concern for social tensions. The Government also controlled increases in wages and salaries (around 5.5 percent of GDP) and goods and services (around 4.6 percent of GDP) over 2010-2011.

22. **The Government sought to increase food security and promote rural development.** As a response to the 2008 food crisis, the authorities launched an initiative to boost rice production — the main urban staple food — by providing subsidies for fertilizers to producers. The scheme has proven successful and was extended to maize and sorghum. Grain production has increased substantially as a result. There was also an increase in fruit and vegetable production, many under programs funded by the Bank.

23. **Cotton sector reform was not discussed in the GPRSF.** Cotton has traditionally been Mali's main cash crop. Although its share in exports had declined to 15 percent in 2007, it continued to employ a large portion of the rural population. Cotton reform was central to meeting the objective of ensuring food security and the Government started a reform process in 2001. CMDT (the Malian Textile Company), a public sector monopoly, was charged with providing inputs, collecting and ginning the cotton. Production has fallen steadily in the past decade, principally because of CMDT's poor management, which led to increased overheads, lack of cost controls, and inappropriate investments. The Government adopted a number of measures in 2007-2009, including the restructuring of farmer organizations and the creation of inter-professional associations to help regulate the sector. The privatization of the ginning facilities — a central feature of the plan — was started in 2011 after substantial delays and never completed. In the end, an unfavorable international environment at the time of the tender for ginning facilities contributed to a lack of interest among companies. However, government hesitation had probably stalled the process in the preceding decade and the Government's vision for the sector was not well defined.

24. **In infrastructure, the GRSPF called for extension and better management of the feeder road network and a restructuring of public enterprises.** In the roads sector, some 85 percent of the road program was implemented and as a result, 65 percent of the main road network is now in fair to good condition. Access to electricity and to telecommunications services increased during the CAS period. However, subsidies to the electricity sector have put a heavy burden on the budget (electricity and telecommunications are discussed in the CAS outcomes section).

25. **The Government introduced some reforms to improve the business environment.** Specifically, it introduced measures to simplify investment approvals and business registration. In addition, the Government adopted a Private Sector Framework Law (LOSP); made operational institutions supporting business, including an Export Promotion Agency and other institutions with the support of the Bank, which will again be discussed in the section on CAS outcomes. The investment code has not yet been modernized as expected. Business indicator data shows that Mali is relatively efficient in granting building permits and transfers of ownership. Mali performed relatively worse on indicators relating to the payment of taxes and investor protection

26. **The Government took measures to strengthen the viability, reach and performance of the banking sector, through the sale and liquidation of weak banks, with much support from the Bank and the IMF (discussed under CAS outcomes).** The Government also strengthened the microfinance sector and increased the share of the labor force belonging to microfinance institutions increased to over 19 percent in 2010. Measures were taken to strengthen the microfinance sector including the enactment of legislation regulating decentralized financial systems (Law 10-013 of May 2010) and procedures for implementation of the law (Decree 10-315/P-RM of June 2010), and enactment of new accounting guidelines for decentralized financial systems (January 2010).

27. **In public administration reform and de-concentration, the Government implemented an Action Plan to Improve and Modernize Public Financial Management for the period 2005-2010 (PAGAM).** There was progress in enhancing the credibility of the budget; making the budget comprehensive and transparent; introducing policy-based budgeting; increasing the predictability and controls in budget execution; improving accounting, recording and reporting; and improving external scrutiny and audits. By the end of 2010, most ministries had prepared sectoral programs and medium-term expenditure frameworks serve as inputs to the budget although the budgetary allocations are not yet fully-aligned with them. Lastly, the Government adopted a new code for public procurement. The new code, however, has some important omissions that have since been corrected. In 2010, the second phase of the Action Plan (PAGAM II) for the period 2011–15 was launched, and the final version incorporated the findings of the 2010 Public Expenditure and Financial Accountability Report, prepared jointly by the Government with the European Union (EU) and the Bank. The plan, which includes a rolling three-year program, called for the development of a budget/program-type expenditure system; reform of executive, legislative, and judicial controls; and the transfer of competencies and resources to local governments. In the area of decentralization and devolution, the Government prepared and began implementing plans to transfer competencies and resources to local governments for most ministries, including Health; Education, and Economy and Finance.

28. **The Government began to put in place instruments to help combat corruption.** A national action plan was adopted in February 2010, and a monitoring committee comprising representatives of civil society, the private sector, and the administration established.

29. **In spite of substantial expenditures in social services, Mali was not likely to achieve the MDGs at the planned date of 2015.** There had been progress in the areas of schooling, vaccination and access to drinking water, and access to HIV/AIDS treatments (discussed under CAS outcomes below), but significant challenges remained, notably related to high population growth, resulting from declines in mortality combined with continued high birthrates over the past 20 years. The Government was slow to both recognize the demographic problem and take action to improve the provision of health services for women and on family planning in general. In 2011, the Government invited development partners to join public debates on demographic growth. Key representatives of civil society, the private sector and religious leaders agreed that the issue had to be addressed to improve the socio-economic prospects of the country and reproductive health has been included in the most recent government programs.

30. **The Government increased expenditures in education during the period and some 1,400 classrooms were constructed; with 6,000 teachers and 3,000 community teachers trained.** Community schools were fully subsidized to reduce out-of-pocket expenses for poor families. In spite of this investment, however, there has been little improvement in access to education over the GPRSF period, in part because of the high unit costs of investments (classrooms construction and textbooks), as well as population growth. The gross enrollment rate in 2010 was 75.4 percent and was largely unchanged from 2006, although enrolment ratios varied considerably between regions and the quality of education remains poor.

31. **The provision of health services improved but did not match government objectives.** The number of operational community health centers increased from 785 in 2006 to 1,050 in 2010, against a forecast of 1,070. Demographic growth prevented an appreciable increase in the share of the population with access to a health center. The share of the population located less than 5 km from a center providing the Minimum Activity Package remained virtually the same between 2007 and 2010 (from 58 percent to 59 percent). The detection rate of tuberculosis, meanwhile, improved modestly between 2004 and 2010 (from 18 percent in 2004 to 26 percent in 2008 and 29 percent in 2009). The 80 percent objective of the coverage of malaria treatment was not achieved. Only 19 percent of all malaria cases were diagnosed by medical science (microscope or test) because of the inadequacy of the rapid detection tests and the poor performance of trained staff; only 23 percent of malaria cases in children under five were treated within 24 hours

32. **The HIV/AIDS prevalence rate dropped from 2007 to 2010.** There was also an improvement in access to care, following the establishment of 311 prevention of mother-to-child transmission locations and community and referral health centers and 74 treatment centers (many of which provide pediatric care), and this helped increase the number of patients initiated to antiretroviral (ARV) treatment from 9,750 in 2007 to 31,000 in 2010 (i.e. 87 percent of the objective set).

Interim Strategy Note Period

33. **The Bank's response since the crisis has focused on rebuilding its knowledge base to understand and address the drivers of fragility.** This has proven essential to support Mali in rebuilding its pre-crisis development trajectory, but on a more solid foundation to prevent a new cycle of crises. The ISN identified the sources of the crisis to be Mali's extreme vulnerability to climatic and security shocks, high demographic growth, which offset gains in poverty reduction, and most importantly, weak institutions. Apparent improvements in governance hailed by the international community until the eve of the crisis masked weak fiduciary systems and high levels of corruption, which led to growing distrust in the State and a failure in the social contract, not limited to a North-South divide but affecting all Malians.

34. **Addressing the drivers of fragility has required significant efforts to reorient the portfolio, aligning ongoing programs with emerging priorities in response to the crisis.** At the same time, with the conflict contained to the North of the country, one of the main challenges was to work with a Government located in the South, where the immediate effects of the crisis were felt mainly indirectly via the inflow of Internally Displaced Population. Late adoption by the Government of emergency modalities in project preparation and implementation ultimately delayed both starting up new operations, and the implementation of the ongoing program.

35. **The crisis revealed Mali's deep fragility, despite long being hailed in Africa for its institutional reforms and governance.** The Doing Business Indicator ranks Mali at 155 in 2014, among the worst performers in the bottom 20 percent, while the Global Competitiveness Index ranks Mali 128th out of 139 countries in its 2013-14 report. The Corruption Perception Index showed virtually no improvement between 2006 and 2013, with scores in the 27-28 range, except for 2012 when the score was 34 and Mali ranked 105th of 174 countries.

36. **While a PEFA was not completed during the ISN period as planned, public financial management reforms between 2008 and 2011 improved public expenditure and financial accountability (PEFA) scores in several areas, including:** (i) budget credibility; (ii) comprehensiveness and transparency of budget management; and (iii) policy-based budgeting. Far less progress was achieved in areas related to taxation, procurement, and the quality and timeliness of information, where the expected behavioral change at the line ministry and district levels has only partially been achieved. In addition, while PFM rules, systems and institutions have been strengthened, the framework for inter-governmental relations has been inadequate (despite the Government's approval in 2010 of the 5-year PAGAM II), resulting in lower-than-planned transfers of resources from the central government to the decentralized level.

37. **Local governance reform, which earmarked as a priority at the outset of the Third Republic, has been slowed by governance problems.** The establishment of the Institutional Development Program (PDI) initiated civil service reform, but progress has been slow. Similarly, though the National Decentralization Policy Framework (adopted in 2005 and updated as part of the peace negotiations) defined the transfer of responsibilities from central to local authorities, it has not been accompanied by a commensurate development of local capacity and transfer of resources.

38. **Some formal authority was decentralized in certain sectors; local authorities are independently elected and their formal responsibilities for service delivery at the local level are defined.** However, consolidation of decentralized governance has lagged, as fiscal autonomy of sub-national governments is limited and accountability is upward and more focused on whether administrative (PFM) rules have been followed and political imperatives are met than on actual performance in service delivery.

39. **Limited local government resources combined with weak civil society participation have resulted in a reduction of already-low levels of basic services delivery and an inability to hold local governments accountable.** By the Country Policy and Institutional Assessment (CPIA) criteria, the overall IDA resource allocation index has remained virtually unchanged since 2005, with the exception of 2012, when measures of macroeconomic and financial management, the quality of public administration, and the impact of public expenditures on equity, human resources, and social protection all declined significantly. Based on the governance index, Mali's performance has declined progressively over the period 2008-2011 and precipitously in 2012, with a significant drop on the stability/absence of violence dimension.

40. **Mali's efforts to strengthen the delivery of services in social sectors have stagnated over the past decade.** Mali's population of approximately 14.9 million people is poorly educated and growing rapidly. With one of the highest fertility rates in the world (6.9 children per women), population growth is exceptionally high (3.0 percent) and is expected to continue, given the country's young age structure, low levels of education (particularly among women), and inadequate use of contraceptives.

41. **Development of the productive sectors lagged after the crisis, with a rebound in growth since 2014.** Reductions in poverty were achieved before the crisis in large measure through a rapid increase in the production of cereals following market liberalization, as well as sustained subsidies on fertilizer, increased remittances, improved off-farm income opportunities (informal gold mining; telecom) and improved road connectivity. Once the conflict erupted, much of the progress faltered. The crisis had dramatic effects on public infrastructure and services, including reduced human mobility, limited market access, and contributing to the loss (theft) of assets. Farmers were cut off from their fields; traders were unable to move and herders, along with their livestock, were forced to leave places of conflict for safety.

IV. CAS AND ISN PROGRAM PERFORMANCE

CAS Program Performance

42. **The CAS was to selectively support key GPRSF objectives.** The CAS strategic objectives were to: (a) promote rapid and broad-based growth which was linked to the first GPRSF pillar; and (b) strengthen public sector performance and service delivery, linked to the second and third GRPSF pillars. The Bank would focus on private sector-led growth by addressing key constraints such as energy and finance and by linking the country to the rest of the world and improving public sector performance. The Bank program was to be guided by the principles of selectivity, promoting aid effectiveness and donor collaboration; and strengthening World Bank coordination and regional integration.

43. **CAS outcomes are rated *moderately unsatisfactory* for both Strategic Objectives I and II.** The rating is based on the lack of progress in cotton sector reform and electricity reform, two key areas which directly impact on the Government's ability to reduce poverty and improve macroeconomic management. This rating takes into account progress made in other aspects of the first CAS strategic objective, which focused on promoting private sector-led growth, as well as in the second strategic objective which focused on strengthening public sector performance and service delivery.

Strategic Objective I. Promote Rapid and Broad-Based Growth - Moderately Unsatisfactory

44. **Strategic Objective I is rated Moderately Unsatisfactory. Rapid and broad-based growth was to be accomplished through the following aspects:** (a) agricultural productivity and competitiveness increases; (b) integration of Mali into regional and global markets by improved efficiency of transport operators in roads, railway and air; (c) increased power system reliability, viability, access and interconnectedness with other countries; (d) improved financial sector efficiency; (e) enhanced business environment and capacity to mobilize resources; (f) improved performance of non-agricultural sectors including tourism, mining, and telecommunications; and (g) increased productivity of targeted MSMEs. The tourism target was dropped at the time of the 2011 Progress Report given the deteriorating security conditions in northern Mali.

- Increase agricultural productivity and competitiveness (*partially achieved*)

45. **Bank financial assistance included a new operation to improve agricultural productivity and ongoing operations on agricultural competitiveness/diversification and rural development.** IFC invested in two agribusiness companies and has developed an index-based insurance for low-income farmers project (Global Index Insurance Facility Program). The policy dialogue on the cotton sector was carried out in the context of the PRSCs. On agricultural competitiveness, there was some success in the development of new crops, such as soybeans and mangos. Dissemination of selected cowpea seeds raised yields from 250 to 750 kg/ha in 2011, higher than the CAS target; grower networks are in place for potato/cowpeas and farmers are adopting new technologies. Private operators and producers of fruit and vegetables organized, which contributed to increased efficiency and professional entities were established for a number of products, including cotton and mangoes. Mango exports grew from 5,000 to 490,000 tons in 2007- 2011, surpassing the CAS target. Supply chains and diversification were supported by the ongoing Agricultural Competitiveness and Diversification Project. Changes were slowly being introduced in the Governance of the Ministry of Agriculture. An Agricultural Fund had been put in place to be used as a channel for disbursement by donors. However, donors were not able to avail of it, as it did not meet fiduciary standards.

46. **In cotton, the CAS called for the creation of an effective regulatory framework and the creation of private companies following the privatization of the cotton company, CMDT.** The CAS did not include indicators to measure outcomes in this area. In 2007-2009, farmers' organizations were restructured and an inter-professional association to help regulate the sector was established. Parliament approved the privatization of the cotton company following extensive consultations in Mali. Regulatory and other reforms were never implemented, as the privatization of CMDT was not completed (discussed under GPRSF progress above). The CAS indicator relating to increased cotton productivity was not achieved as programs to increase productivity funded by the Bank could not be started until the CMDT issue was resolved.

47. **Donor coordination groups met regularly on general agricultural issues.** Cotton sector reform was discussed in a group consisting of the Bank and the French Government, while a group on food security focused on food aid to the northern region and on the management of the national food security stock.

- Improving integration of Mali with regional and global markets by increasing efficiency of transport operators (*mostly achieved*)

48. **Transport.** Bank financing in the transport sector included the Transport Sector Project, which featured a rural and urban mobility component, additional financing for the Second Transport Sector Project and a Transport Corridor Project that closed in 2009. Support was also provided under the regional West Africa Air Transport Security Project and the West Africa Transport and Transit Facilitation Project. The IFC invested in the privatization and restructuring of Air Mali, which together with Air Burkina Faso and Air Uganda forms an integrated regional airline grouping under the same owners, AKFED²³. Outcomes

²³ Air Mali has, since the political coup in March 2012, experienced significant setbacks. As a result, AKFED decided in December 2012 to proceed with a liquidation of Air Mali, following a Safeguard Plan implemented in June 2012 in consultation with the Malian

relating to the reduction of transport costs were not achieved, while those relating to improved road transport were partially achieved and those relating to air transport were achieved.

49. **Transport costs of containers from ship to final destination remain unchanged in real terms and the CAS target calling for a 50 percent reduction in costs was not met.** Costs were affected by external factors, such as problems of transiting through Côte d'Ivoire during the period, the spike in oil prices and limited progress in increasing efficiency of the Transrail Concession. Similarly, the tonnage of freight moved by rail has not increased to meet the CAS indicator target, with available data from 2010 suggesting that freight traffic declined during the period. The Bank's intervention in the railway sector was limited to the financing of rail equipment and spare parts under the Transport Corridor Project and not significant enough to have influenced planned railway concession operational and financial outcomes. CAS targets on improving road access in rural areas and the condition of roads were achieved (40 percent of the population in the Bank project impact areas had access to all weather roads by end-2010 and some 65 percent of main roads were in good condition in 2011). Air transport security was improved and CAS targets were met; air transportation was supported by the Regional Air Transport Security Project and by the Millennium Challenge Corporation, which financed a new airport in Bamako. In general, there was good coordination among traditional donors, who had agreed to carry out joint supervision missions and use the same procurement procedures. Collaboration was less successful in the case of the Bamako airport.

- Reduce the deficit in basic services and increase availability of critical factors of production (*partially achieved*, based on specific sub-outcomes: electricity *partially achieved*; financial sector *partially achieved* and business environment reform *mostly achieved*)

50. **The electricity sector's corresponding outcome was not achieved.** The Bank program included an Energy Support Project approved in FY09, as well as additional financing for an ongoing Household Energy Project and for the Felou Regional Hydroelectric Project (total financing of US\$149.2 million). Energy sector reform, particularly the issue of tariff and subsidy policy was discussed in the context of the PRSCs. The CAS objectives were to improve power system reliability; interconnection to the regional networks; restructuring of the power company to achieve financial viability and complete decentralized energy expansion programs. The target of improving the viability of the power company, the key objective in the sector, was not achieved. Inaction has had an adverse effect on the government budget and thus on the Government's ability to finance poverty alleviation programs. The unsatisfactory and deteriorating financial situation of the power company (*Energie du Mali - EDM*) is partly attributable to significant operating inefficiencies, but mostly to inadequate tariff levels and to the absence of tariff adjustment mechanisms. Except for a small adjustment in 2009 at the time of approval for the Energy Support Project, no electricity tariff adjustments have been implemented to reflect the considerable increase in fuel expenses for EDM resulting from higher oil prices and an increasing share of thermal generation. Nominal electricity tariffs in Mali remain below their 2003 levels. Some progress has been achieved with regard to the institutional dimension of sector reform. In particular, water production and distribution, which were formerly under the responsibility of EDM, have been legally and operationally transferred to separate entities — an operating company and an asset-holding company — in order to create more operational and financial autonomy, as well as establish accountability for the water sector and facilitate the mobilization of financing for investments. However, the absence of reform in the area of tariffs has led to higher

authorities. The airlines' fleet is currently operated by Air Burkina (although one aircraft is still registered in Mali to facilitate the restoration of the airline when the political situation improves).

operating losses for EDM, which had to be financed with government subsidies (some FCFA 20 billion in 2011 and a forecast of FCFA 41 billion for 2012 before the March 2012 political crisis). The Government adopted a strategic note on tariffs and subsidies in March 2009, but the reforms of tariff levels, adjustment mechanisms and structure which were required to permit EDM to reach financial equilibrium were not implemented. Currently, some 50 percent of Mali's power supply generation is thermal. Delays in introducing tariff adjustments will continue to impact on the government budget and/or threaten security of supply. Government delays in introducing reforms were associated with political considerations and concerns regarding the social impact of reforms particularly in urban areas.

51. **The CAS target of meeting additional thermal capacity by 2011 in order to increase power system reliability was achieved with the completion of two thermal power stations near Bamako.** This has helped meet increased demand for electricity, driven in large part by very significant progress on energy access through EDM. Also, the CAS target on rural electrification appears to have been achieved with an estimated 17 percent coverage in rural areas. On the other hand, technical and non-technical losses, indicating operational efficiency — a CAS indicator — remained unchanged between 2006 and 2010. Investments in the transmission and distribution system funded under the ongoing power project are only expected to have an impact beginning in 2013. The target of increasing the interconnection with neighboring countries was also not achieved, mainly because of the political situation in Côte d'Ivoire. The physical construction of the interconnection is, however, advanced. Before the political crisis in March 2012, Malian authorities had been confident that the commissioning of the Transmission line with Côte d'Ivoire would intervene during or before the fall of 2012.

52. **Financial Sector.** The CAS objective of increasing the efficiency of the financial sector and private sector credit was partially achieved. Bank support included the Financial Sector Reform Project that closed in FY08 and the Growth Support Project, which closed in March 2012. The Bank and the IMF prepared a Financial Sector Assessment in 2009. IFC invested in two banks, Ecobank Mali and Bank of Africa Mali, mostly through trade lines and risk-sharing facilities. The banking sector is well-capitalized, with a capital adequacy ratio of about 15 percent in the first half of 2011 — above the 8 percent minimum required. The CAS indicator of a drop in non-performing loans in the total portfolio was not met. The share of non-performing loans to total loans did decline over the period, but stood nevertheless at 20 percent in 2011 — higher than the 10 percent target — although banks are increasingly provisioning for losses in the non-performing portfolio, as required by banking regulations. The CAS original targets on banking sector performance, namely an increase in the share of private sector credit in total credit and a decline in interest margins, were achieved. Credit to the private sector fluctuated but tended to increase during the period (66 percent of total credit in 2006 to 78 percent in 2010) while the spread between average lending and deposit rates declined from 5.04 percent 2006 to 4.49 percent in 2010. Credit and bank margins tend to be long term trends and could not be attributed to a Bank project, but the Bank and IMF Financial Sector Reform agenda, which included the restructuring of the banking sector and led to the closure of bankrupt institutions and the entry of new banks, likely contributed to sector efficiency.

53. **The outcome related to improving business environment was mostly achieved.** Progress was made towards the CAS objective of improving the quality of the business environment. One of the two revised CAS “doing business” targets was achieved (number of days for property registration), while the second (time taken to approve new investments) was partially achieved. The CAS program relied on the Growth Support Project to provide support in the area of business environment and institutions servicing the private sector and MSME support (with IFC). The IFC also provided technical assistance in investment climate reform. With support from the Growth and Competitiveness Project, the Government established the Investment Promotion Agency (API Mali) and a one-stop shop for business transactions (Guichet

Unique). The CAS indicator of reducing the time taken to approve new investments was partially achieved following measures introduced in 2008 that led to the time necessary to formally approve a new investment falling from 45 days in 2006 to 25. The time taken to register a business was also cut by two-thirds, from three days to just one. A better indicator of investment not included in the CAS, furthermore, is the number of firms that registered using the one-stop shop, which more than doubled between 2006 and 2011, rising from 2,032 to 5,223.

- Improving the performance of non-agricultural sectors (*partially achieved*)

54. **In the mining sector, the CAS indicator relating to increased small-scale mining activities was partly achieved with three new investments before the end of 2010, the last year for which information was available.** Mali complied with the standards of the Extractive Industries Transparency Initiative (EITI) in 2010, which should help improve investor confidence in the future (a PRSC prior action).

55. **In the telecommunication sector, the related indicator was achieved.** The Bank program of support included the Growth Support Project, which provided financing for the technical work related to privatization. Policy dialogue on the sector was carried out in the context of the PRSC (the nomination of the council members of the telecommunications regulatory agency was a prior action under PRSC III). The national telecommunications company (SOTELMA) was privatized in 2009 and a second operator (mobile) licensed. A tender for a third license was initiated in 2011. The CAS indicator was surpassed, with teledensity reaching 68 percent in 2011 from 2.5 percent in 2005.

56. **The CAS also sought to improve the performance of Bank-supported programs which provided technical assistance to MSMEs.** Turnover in participating firms through support and training for entrepreneurship program (STEP) more than doubled in the 2006-2010 period, increasing from FCFA 5 million in 1995 to 12 million in 2010. The impact study conducted in 2011 recorded these achievements, however, the CAS indicator aimed at measuring the percentage increase with a target of 25 percent was not tracked.

57. **The indicator on Tourism** was on track until 2010, when the political environment began affecting the sector. Tourists increased from 115,500 tourists in 2009; 129,496 in 2010 and 115,430 in 2011.

Strategic Objective II - Strengthen public sector performance and service delivery – Moderately Unsatisfactory

58. **The overall rating for Objective II is Moderately Unsatisfactory. The CAS aimed to advance the public expenditure reform agenda, support decentralization and deliver results in key social sectors.**

- Improve public financial management (*partially achieved*)

59. **The Bank program included the preparation of a Public Expenditure and Accountability Report in 2010 — a follow-up to the 2006 report.** Public expenditure management was the subject of prior actions under the PRSP series. The CAS objective to improve public financial management system and strengthen the medium term expenditure frameworks to improve quality of service delivery to the population and governance was partially achieved. However, most indicators, which were probably optimistic, were not met. Progress in the area of public financial management is described in the Section

on the GRSPF above. The CAS indicator on the quality and timelines of budget execution reports was not met, although the quality of the reports has improved. Budget execution laws are filed at the Accounts Section of the Supreme Court, but with substantial delays nevertheless. Limited progress was also made on procurement, reflecting delays in implementation of approved reforms and the CAS target was not achieved. A new code, which was expected to be approved in 2012, included provisions to comply with the WAEMU directive calling for limitations to the use of procurement methods other than competitive bidding.

60. The rating for indicators on external audits and for the effectiveness of internal audits, CAS indicators, remained unchanged for the period FY08-11 and the CAS target was not achieved. Improvements in this area required changes to the Constitution and the introduction of constitutional reforms, approved by the legislature in 2011, should have led to improvement in these indicators.

61. The Government made progress on the development and link of Medium Term Expenditure Frameworks, a CAS objective. The CAS indicator relating to the percentage of expenditures subject to MTEF was met. An alternative indicator, the share of budget executed investments in education and health — key sectors for which there is an MTEF — increased from 24.7 percent in 2007 to 29.8 percent in 2010.

- Deliver results in key social sector strategies including education and health services (*partially achieved*)

62. The CAS aimed to improve the access and quality of education and provide more balanced opportunities between boys and girls. The CAS targets were not achieved, although some progress was made. The Bank program included support for basic education through the Second Education Sector Investment Program, which closed in December 2010, and contributed to improved access to basic education, enhanced decentralization in the sector, and focused the Government on quality improvement. The Bank discussed education expenditure in the context of the PRSP series. At the request of the Government, the Bank assisted in the preparation of a youth policy framework and a national policy for girls. Bank interventions also supported better understanding of skills requirements with studies on Skills Development for Growth and Competitiveness and an Education Sector Review. These studies were used in the preparation of the third phase of the Government's education sector strategy. A Higher Education Project, whose mandate was to address skills challenges, was supposed to be presented to the Board in FY12. Progress was made in improving the primary completion rates, but is below the 2011 target (67 percent CAS target compared to actual 58.3 percent target). In 2011, girls represented 45.7 percent basic school population, below the 50 percent target. Target figures for education, such as percentage of total enrollment were affected by population growth, as these targets underestimated the size of the school-age population. Quality of education continues to be poor and the CAS target was not met (projected 70 percent of primary students reaching the average score in key subjects against the actual 30 percent). The base year data is not given, but if Mali is to meet the MDGs, more efforts should be made to improve the quality of learning, financial management, and budget allocation, as well as teachers' qualifications. There was good cooperation among donors in the sector, and Memoranda of Understanding were signed in 2006 and 2010. The last [pre-crisis] joint-donor mission in June 2010 endorsed the third phase of the government sector program.

63. The CAS objectives to increase the use of health services, improve the quality of HIV/AIDS-related services and address high population growth by improving understanding of demographic patterns were partially met. The program included an ongoing multi-sectoral HIV/AIDS project while the PRSC series was used to address various health system issues, such as posting skilled health personnel

in rural areas, promoting the decentralization of financing and decision-making in health facilities, and reducing the price of drugs in primary health care outlets. The Bank also emphasized analytical work and policy dialogue which led to the preparation of a Health and Poverty Country Status Report and a widely-discussed report on Mali's demographic challenges, which helped advance the debate on the issue. The Bank also provided capacity-building for the production of National Health Accounts and a review of the private health sector. The analytical work formed the basis of a Reproductive Health Project, approved in FY12 which aims to support the 2012-2016 programs in the health sector. Reproductive health is now a major component of the national health plan.

64. **The CAS outcome indicator on immunization coverage was met and the percentage of children under the age of one immunized with DPT3 rose from 68 percent in 2006 to roughly full immunization — the CAS target — by 2009.** Health coverage indicators were also affected by the population census results. Direct investment from donors supported the immunization program implementation, but the PRSC may have contributed to focus attention on immunization. CAS outcome indicators with respect to portion of the population covered by a health mutual and use of contraception were partly achieved. However, the number of births assisted by qualified personnel remains low, at 57 percent and the 70 percent CAS target was not met. There was also progress in the services provided for HIV/AIDS treatment and CAS targets on the number of patients covered under the national voluntary counseling and testing (VCT) drug and counseling programs were met (93,800 compared to the targeted 55,000). The Bank and donors worked with the Government to promote alignment with the Paris Declaration principles of donor coordination in the health sector which led to the signing of a Compact in the context of the International Health Partnership.

- Aid harmonization and reduction of transaction costs (*mostly achieved*)

65. **Another CAS objective was to improve donor collaboration and aid effectiveness and the CAS outcome indicators were partially achieved.** A first joint-donor assistance strategy for 2009-2011 was signed by 14 donors and focused on results and linkages to the GPRSF. Achievements included improved disbursement predictability, reduction in the total number of budget support triggers, increased number of donors using direct budget support, and progress towards more programmatic approaches in some sectors (water, decentralization, transport, and to some extent agriculture). Country-led aid management was being strengthened with the creation of a Harmonization Secretariat. Donor assistance was better coordinated at the sector level and the education and health sectors were covered by sector budget support. The Bank chaired the donor working group on macroeconomic issues and progress was made in terms of the quality of the joint budget review. Efforts to harmonize the conditionality framework reduced the joint trigger matrix to 39 triggers in 2010. Analytical work by donors in key sectors such as health and education was complementary. A CAS outcome indicator relating to the reduction of the number project implementation units proved difficult to achieve given the weak government administrative structures. However, the effectiveness of donor working groups in ensuring synergies among the programs of different partners remained limited in some areas, such as the collaboration between the Bank and the Millennium Challenge Corporation (MCC) on the Bamako airport. The MCC approved US\$60 financing for the construction of a new airport after the Bank had approved the financing for the rehabilitation of the existing airport under the Growth Project; the Bank airport rehabilitation component in the Growth Project was cancelled in 2009.

66. **The CAS did not provide specific indicators or a measurement system to track progress on the cross-cutting issues.** The CAS aimed to consolidate and deepen the Government’s reform program in the area of governance and capacity development. One clear success was the support provided to strengthen the management capacity and governance of the mining sector, which enabled Mali to be compliant with EITI. The Bank also carried out governance assessments of the energy and transport sectors. The energy assessment identified measures to deal with losses in the electricity company, which were integrated into the design of the Energy Support Project and the transport analysis served as the basis for discussions on the controls faced by the transport sector. Public expenditure management reform aimed at improving public procurement for greater transparency, as discussed above. In addition, the PRSC series and the Capacity Building Project emphasize accountability in public expenditure management while the Urban Local Governments Support Project will support strengthened institutional capacity of five targeted local governments.

67. **In the area of capacity building, the Bank — using an approach sponsored by the World Bank Institute — prepared action plans on public procurement regulatory framework in the energy sector, public revenue administration, and monitoring and evaluation.** The monitoring and evaluation plan was implemented with the assistance of an IDF to strengthen the GPRSF results framework, while the findings of the other CD action forms were used for procurement training sessions and were then embedded in the Energy Sector Support Project (two successfully). Statistical capacity development was provided through household survey analysis under the Belgian trust fund.

ISN Program Performance

68. **The ISN program proposed selective interventions in support of post-conflict recovery and long-term development objectives.** It aimed to both rapidly provide support to meet the needs of populations across the country and initiate new activities to better address long-term governance challenges. The WBG recognized the centrality of the human development challenges that Mali faces in the aftermath of the 2011-12 period of conflict and insecurity and proposed a strong program focused on strengthening capacities and delivering basic services. The ISN focused on three priority areas: (i) laying the foundations for long-term accountability and stability; (ii) protecting human capital and building resilience; and (iii) preparing the conditions for economic recovery.

Priority Area 1: Laying the foundations for long-term accountability and stability

69. **Progress towards the development outcomes under this priority is not verified.** The two outcomes under this priority are unclear. The ISN strategy in this area focused on improving governance and transparency. Advances in governance were made through support for: (i) decentralization through the transfer of skills and resources for capacity building at the local level; and (ii) strengthening budget execution and fiduciary functions to enhance accountability reporting to citizens. Bank financing included lending support for: (i) public financial management reform within the context of overall recovery (Recovery and Reform Support Credit Program and First Recovery and Governance Reform Support Credit); and (ii) local government within the context of increased transparency and citizen accountability (Governance and Budget Decentralization Technical Assistance Project and Urban Local Government Support Project).

70. Status: (i) local entities (regions, districts, municipalities) have been provided with timely information on the allocations to be transferred from the central level; but (ii) PEFA grades on internal and external audit will only be available later in 2015 once the survey has been conducted.

71. Though data is incomplete on a number of other outcomes, some positive results have been identified in the ISRs; these include:

- A reduction in the time required for the treatment of procurement files from 98 to 76 days, with a target of 80 days;
- An increase in periodic reporting on budget execution (quarterly reports produced using AICE; internal audit reports in Ministries of Health and Education using a risk-based approach);
- The proportion of Local Government Units meeting mandatory minimum conditions for access to performance grant funds has reached 100 percent (meeting its target) and 75 percent of LGUs have achieved an annual performance score of at least 75 points (with a target of 80 percent).

72. **Non-lending support focused on tools and methods for improving transparency, including public expenditure reviews, fiduciary assessments, and technical assistance to strengthen country statistical capacity.** Assessments of the impact of the crisis, including refugee tracking, illicit trafficking, and demobilization efforts have been carried out.

Priority Area 2: Protecting human capital and building resilience

73. **The outcome results under this priority area are rated *moderately satisfactory*.** Of the four outcomes under this priority area, one is achieved, two are mostly achieved, and the last is partially achieved. The ISN strategy in this area focused on: (i) developing human resources by increasing equitable access to quality social services; and (ii) preserving pro-poor expenditure in the budget. In addition to overall support for the recovery (Mali Recovery and Reform Support Credit Program), interventions during the ISN period comprised investments in: (i) basic education (Emergency Education For All Project) and skills development for youth employment (Skills Development and Youth Employment Project); (ii) reproductive health (Strengthening Reproductive Health); (iii) social safety nets (Emergency Safety Nets Project); and (iv) rural community development (Urban Local Government Support Project).

74. **Status of outcomes:** (i) the share of priority pro-poor expenditure as a proportion of total GDP expenditure has increased from 5.9 percent (2012) to 6.1 percent (2014); and (ii) the number of poor households benefitting from cash transfers program has increased from 0 (2013) to 26,398 (2015) with a target of 62,000 households (2018). Recent information on the proportion of pregnant women who have at least 4 antenatal care visits is not available but the 2012/13 DHS indicates that the target has been exceeded. Among the most important other results to date are the following:

- The number of CGSs set-up and trained and the number of qualified primary teachers has increased from 0 (2013) to 1,000 (2015) and from 1,250 (2013) to 2,000 (2014) respectively, meeting the respective targets of 1,000 (2016) and 2,000 (2016);
- The number of additional primary students enrolled and children benefiting from school canteens in the basic education project intervention areas has increased respectively from 0 (2013) to 32,500 (2015) with a target of 50,000 (2016) and from 0 (2013) to 30,000 (2015) with a target of 150,000 (2016);
- The proportion of rural communities with adequate access to basic social services increased from 28 percent (2006) to 87 percent at project closing (2014), surpassing the target of 80 percent; and

- Virtually all of the targets for community participation in capacity building, investment, and productive benefits have been met or surpassed.

75. **In primary education, with support from the Education for All program managed by the Bank, the Government has undertaken a proactive strategy to increase the enrollment of children in conflict-affected areas, including in the North.** The so-called “Back to School” strategy is supported by all donors active in the education sector and is being coordinated on the donors’ side by UNICEF. Back to School activities include, among others, sensitization, teacher training, remedial classes for affected students, school canteens, distribution of student kits, etc. Its objective is to set the necessary conditions for school to resume in all affected regions of Mali starting in October 2015, thereby allowing IDPs (internally-displaced persons) to return and re-establish themselves in their communities. The strategy is therefore expected to see a sharp increase in the number of students in targeted/affected areas beyond the target set for December 2015.

76. **While support to the health sector was approved in FY12 — specifically to improve the demand for and supply of reproductive health services — initial implementation has been quite slow due to project management issues that have now been largely resolved.** The major impact to date has been the procurement of modern contraceptives that should provide 468,000 Couple Years Protection (CYP) once they are distributed and used compared to an end-of-project target of 900,000 (further procurement is envisaged). The recently completed Mid-Term Review developed a road map which is expected to significantly improve both project implementation and development impact between now and the end of the project (February 28, 2017).

77. **Additional support, which was completed early in the ISN period, included:** technical assistance to the Malian diaspora (Using Diaspora to Transfer Knowledge in Higher Education) and an initiative in early childhood development (Piloting Effective Early Childhood Development Services in Mali).

78. **In line with the ISN’s objective of rebuilding the knowledge base, a wide range of ASA addressed key issues including:** (i) the geography of poverty and binding constraints on poverty reduction; (ii) broad issues of fragility and gender; and (iii) the specific effects of the crisis on the social and human development sectors and the delivery of social services, particularly in low density population areas.

Priority Area 3: Preparing the conditions for economic recovery

79. **The outcome results under this priority area are rated *moderately satisfactory*.** Of the four outcomes under this priority area, one is achieved, one is mostly achieved, one is partially achieved, and the last is not verified. The ISN strategy in this area focused on: (i) supporting accelerated growth, pro-poor jobs creation, and income-generating activities; (ii) enhancing transportation and connectivity to stimulate economic growth and help unite the country; and (iii) improving efficiency and service delivery in energy and water. Operations were financed in: (i) agriculture and rural development (Agricultural Competitiveness and Diversification Project, Fostering Agricultural Productivity Project, Agricultural Productivity, Rural Community Development Project); (ii) natural resource management (Natural Resources Management In A Changing Climate in Mali, Mainstreaming Disaster Reduction in Mali); (iii) transportation (Second Transport Sector Project); (iv) energy (Energy Support Project, Rural Electrification Hybrid System Project, Banda Gas to Power Guarantee); and (iv) water (Bamako Water Supply Project).

Technical assistance was provided for legal and technical negotiation support (Legal and Technical Negotiation Support).

80. **Status of outcomes:** (i) the proportion of women benefitting from access to finance through sub-projects increased from 32 percent (2012) to 34 percent (2014), with a target of 40 percent (2015); (ii) the distance of upgraded roads in central and northeast Mali and between Mali, Burkina Faso, and Ghana increased from 92km (2010) to 250km (2014) with a target of 295km (2015); and (iii) the number of electricity connections increased from 261,000 (2009) to 380,000 (2014), with a target of 300,000 (2015). Information is not available on the number of people with access to potable water. Among the most important other results to date are the following:

- The production of mango, shallots/onions, and potatoes has surpassed the original targets in weight and value, while supply chains for all products were improved;
- The number of kilometers of rehabilitated roads has increased from 0 (2007) to 1,900 (2014), mostly achieving the target of 2,075 (2014); the proportion of maintenance financing paid for by road user fees has more than doubled from 25 percent (2007) to 58 percent (2014), with a target of 70 percent (2014); and the proportion of the population with access to an all-season road has increased from 32 percent (2007) to 40 percent (2014), with a target of 45 percent (2014);
- The number of people provided with access to electricity by household connections has increased from 2.33 million (2009) to 3.74 million (2014), already beyond the 2015 target of 3.40 million;
- Results for energy are mixed; the number of connections has increased from 201,539 (2009) to 380,000 in 2014 (with a target of 300,000). However, additional connections came with a cost, increasing subsidies to the sector.

81. **Analytic assistance emphasized:** the impact of the crisis on private sector development and financial services (including microfinance regulation); electricity's impact on poverty; telecommunications sector reform; and minerals and extractive industries. Additional analysis was initiated on the demand for jobs and competitiveness, as well as job creation, in Mali.

Regional Operations

82. **The country portfolio was accompanied by a range of financing mechanisms for regional operations in:** (i) agriculture (West Africa Agricultural Productivity Program and West Africa Agricultural Productivity Program 2A); (ii) natural resource management (Niger Basin Water Resources Development and Sustainable Ecosystems Management Project and Senegal River Basin Multi-purpose Water Resources Development Project); (iii) transportation and communication (West and Central Africa Air Transport Safety & Security Project and West Africa Regional Transport and Transit Facilitation Project); and (iv) energy (WAPP APL 2 - OMVS Felou Hydroelectric Project). Analytical assistance ranged across the following priority areas: (i) examining regional sources of fragility and local governance in the Sahel; (ii) studying regional demographics; and (iii) analyzing housing, land, construction, and informal trade.

V. WORLD BANK GROUP PERFORMANCE

Review of Bank Group Performance during the CAS Period

83. **Bank Group performance is rated as *fair* for the CAS.** The CAS was in line with government priorities. The CAS intended to be selective but in fact covered 18 sectors and cross-cutting areas;

indicators in key areas were not included. The program was implemented largely as planned, and the Bank was responsive to Government requests for technical assistance and analytical work and increased financing to help address the effects of the food and fuel crisis of 2008. However, there was little progress in two key policy areas.

84. **The CAS was generally aligned with the priorities of the Government in the GPRSF.** The CAS was optimistic on the prospects for structural change as it was written shortly after the election of President Touré to a second term in office when his political coalition had won a majority in Parliament. The CAS aimed to be selective although it included objectives in 18 sectors/cross-cutting areas; the outcome matrix covered 13. The 2011 Progress Report discussed nine sectors/cross-cutting areas. The Bank program for FY08-11 included new operations in energy, agriculture and urban development in addition to the PRSC series; the FY12 program included operations in health and education and one additional PRSC. Analytical work and technical assistance was included in rural finance, health, demography, education, governance, environment, and business environment. The CAS also aimed to promote aid effectiveness, support regional integration, strengthen World Bank Group coordination and develop a knowledge program which in retrospect may have been too many areas of focus.

85. **The Bank Group program followed the overall thrust of the CAS.** All lending operations in the original program were approved. Planned assistance was expanded to include additional budget support under the Global Food Crisis Response Program for PRSC II and PRSC III. Most planned analytical and advisory services, has been completed.

86. **Some of the risks identified in the CAS were well managed.** The CAS anticipated that external shocks such as the effect of the world economic downturn, and food crisis and in response, the Bank increased its budget support with financing from the Global Food Crisis Response Program (GFCRP) (US\$20.5 million). The Bank was not able to mitigate the political problems of the cotton sector reform and electricity tariffs, and the remedial measure which entailed consultations did not prove effective. A mid-term review was not carried out, but a Progress Report was prepared in 2011 which assessed progress under the CAS and extended the program by one year.

87. **The Bank surpassed its lending objectives in FY08-11.** IDA financing totaled US\$582.2 million against a programmed US\$462 million. The FY08-11 included three investment projects (energy, urban and agriculture and one governance/budget technical assistance project for a total of US\$272 million and additional financing for three operations, transport, HIV/AIDS and household energy for a total of US\$64 million. The additional allocation of US\$45 million for the energy operation was the largest increase with respect to programmed lending. FY08-11 financing lending also included four budget support operations (PRSC II-V) for a total of US\$232 million. IDA approved additional financing for one regional project (US\$14.2 million) and other financing (GEF West Africa Biosafety Project: US\$3.9 million; GEF Agricultural Productivity: US\$6.2 million; PRSC II Additional Financing for Global Food Crisis Response Program: US\$5.0 million; and PRSC IV Global Food Crisis Response Program: US\$15.5 million) for US\$30.6 million of which US\$20.5 million was budget support. The Bank was responsive to the Government's request to help it meet new challenges, and supported it in the preparation of a youth policy and a policy on girls' education; provided technical assistance and carried out analytical work on public finance and health and demographic issues. Details on the operations are provided in CLR Annex 2.

88. **Bank lending was suspended following the March 2012 coup, and the FY12 lending objectives were not met.** Lending included one health investment project for US\$30 million against a programmed

US\$150 million. Trust fund financing for the ongoing Household Energy project was also approved. Details on the operations are provided in CLR Annex 2.

89. **IFC committed US\$45.7 million for seven companies in agribusiness, services, banking and infrastructure during the CAS period.** In addition, IFC provided advisory services on investment climate reform, capacity building and in promoting leasing. Bank and IFC programs were complementary, particularly in the area of business environment where IFC provided most of the technical assistance and in the financial sector where IFC supported two new banks.

90. **The number of projects in the portfolio remained unchanged at 11 the FY08-12 period,** and net commitments in FY07-11 were in the range of US\$658.4 million (2007) to US\$706.9 million (FY11) in all years but FY08 (US\$477.3 million).

91. **In addition to the country program, Mali benefitted from six regional projects which were under implementation;** additional financing was approved for the Felou Hydroelectric project during the CAS period. These included two projects in transportation (Air Transport Safety/Security Project and Transport/Transit facilitation); two in agriculture (West Africa Agricultural Productivity and Africa Stockpile program); two natural resource management (Senegal River Basin and Niger River Basin) and one in electricity (Felou Regional Hydroelectric).

92. **Five investment projects exited the portfolio in FY08-11** (National Rural Infrastructure; Financial Sector Development; Transport Corridors; Agricultural Services/Producer Organizations and the Second Education Investment Program). ICRs for seven operations were prepared during the period (five investment and two PRSCs); the outcome of all investment projects was rated moderately satisfactory except for the Rural Infrastructure Project which was rated satisfactory. Bank performance was rated moderately satisfactory in all investment operation ICRs except Education (moderately unsatisfactory). The ICR for PRSC I and II rated outcome and bank performance moderately unsatisfactory.

Review of Bank Performance during the ISN Period

93. **Based on a consideration of the key factors identified in the guidelines,** the CLR rates the WBG's performance in contributing to the design and implementation of the ISN as *fair*.

94. **At the time of ISN approval,** the project portfolio comprised 8 national IDA operations and 6 regional operations. As of April 2015, the national portfolio includes 13 IDA operations and 5 trust funds, together with 5 regional projects. The total IDA commitments are US\$886 million.

95. **The distribution of new national and regional IDA and trust fund operations among priorities over the ISN period is shown in CLR Annex 2 regarding ISN program summary.** Operations supporting preparation of the conditions for economic recovery have shown the most rapid growth over the period.

96. **Over the period, the IFC has contributed to preparing the conditions for private sector recovery and developed activities,** with respect to its strategy built around three principal axes: (i) strengthening Mali's MSMEs by working closely with financial institutions through investments and advisory services, (ii) improving the investment climate and (iii) Providing support to projects in strategic sectors where private participation is low, especially in infrastructure and agriculture. It resulted to a

commitment of US\$81 million in infrastructure (Infraventure Kenie and Scatec) and financial market (microfinance and risk sharing facilities, trade lines) and the development of advisory projects related to investment climate, access to finance (Business Edge, Leasing).

97. **MIGA portfolios** included 1 guarantee to an ICT investment, which was damaged during the conflict.

98. **Aligning the lending portfolio with the ISN program.** First, as indicated in Annex 2, a large number of lending operations and lending instruments were under implementation and several were restructured to address implementation constraints resulted from the crisis. The ISN expected to address the geographical dimensions of the crisis, but continuing insecurity in the North and difficulties in strengthening decentralized capacity have handicapped this intention.

99. **Non-lending activities focused on understanding the causes of the crisis and assessing its impact on the Malian economy, institutions and service delivery.** Their contribution to the ISN's objective of "rebuilding the knowledge base" was apparent, and contributed to informing the Systematic Country Diagnostic (SCD) "to inform the future directions of the Bank's engagement".

100. **The ISN accurately identified the principal risks for the country as a whole and for the WBG portfolio and operations.** In retrospect, the risk mitigation measures for the risks associated with fiduciary shortcomings and weak implementation capacity have not been entirely adequate.

101. **The ISN Results Framework relied on the project M&E systems.** As identified in the 2013 CPPR, these M&E systems were inadequate for monitoring achievement of the projects' targets. First, a review of the projects' Project Development Objectives (PDO) shows that some of the PDO statements are not relevant, comprising multiple elements, vaguely worded, and unmeasurable. Second, the average number of outcome and intermediate outcome indicators is 18, and many are difficult to understand. Third, baseline information was not systematically available, projected targets were not well explained, and monitoring responsibilities and schedules were not sufficiently explicit.

102. **Program Implementation.** Implementation considerations address: (i) the timeliness of the delivery of proposed projects and ASA; (ii) the volume of planned and actual disbursements; (iii) the quality of the portfolio; and (iv) success in working with the various partners (Government, civil society, aid agencies, etc.).

103. **The delivery of lending products has been substantially on time and several regional and national lending and ASA activities were added to the ISN plan.** Beginning with the period immediately preceding the ISN and continuing through the end of FY14, eight of eleven products were delivered as planned and an additional two with some delay.

104. **While the delivery of lending in the ISN has followed the planned lending in the ISN, the delivery of non-lending products has been quite different,** with the initiation of a substantial number of non-lending products which were not initially planned in the ISN. Information on the quality, dissemination, and use of the non-lending products must be collected.

105. **During the period, three ICRs were completed;** two were rated Satisfactory (Rural Community Development Project and Senegal River Basin Multi-purpose Water Resources Development Project) and one was rated Moderately Satisfactory (Mali Recovery and Reform Support Credit Program). A Country

Portfolio Performance Reviews (CPPR) was not carried out. Project supervision over the ISN period has been regular, and two ISRs are available for each of the projects in the portfolio. ISR ratings for the DO and IP have been consistently and uniformly rated Moderately Satisfactory over the period of the ISN.

VI. ALIGNMENT WITH THE WBG CORPORATE GOALS

106. **The CAS was prepared before the formulation of the twin goals;** thus, the strong alignment of the Bank's program to twin goals during the CAS period is not clear. The corporate goals were formulated during the early preparation process of ISN. In the ISN lending portfolio, the projects have addressed the twin goals from several different perspectives. A first group of projects attempted to reduce income poverty:

- Mali Recovery and Reform Support Credit Program aimed to increase pro-poor expenditures as a proportion of GDP and to increase the share of expenditures benefitting the two poorest quintiles;
- Emergency Safety Nets Project aimed to increase cash transfers to households below the poverty line; and
- Fostering Agricultural Productivity Project and Agricultural Competitiveness and Diversification Project aimed to increase the amount and value of agricultural production, while Rural Community Development Project aimed to raise productive income per household member above the poverty line.

107. **A second group of projects addressed the twin goals from the perspective of increasing the potential productivity of the population** through improved health (Strengthening Reproductive Health) or better education and skills (Emergency Education for All Project and Skills Development and Youth Employment Project). Finally, a third group of projects aims to enhance societal assets through the improvement of resources available to the population: water (Bamako Water Supply Project), energy (Energy Support Project and Rural Electrification Hybrid System Project), and transport (Second Transport Sector Project).

108. **Within the non-lending portfolio, the focus on the twin goals is clear.** The Geography of Poverty and the Systematic Country Diagnostic have effectively analyzed the poverty issue and identified three major binding constraints on poverty reduction in Mali. This has enhanced the country team and authorities' understanding on this issue and provided them with in-depth knowledge and strategies on prioritizing financing resources towards the twin goals.

VII. BRIEF DESCRIPTION OF KEY LESSONS LEARNED

Lessons Learned from the FY08-12 CAS

109. **Political support is needed for successful CAS implementation.** Implementation of the CAS has confirmed the importance of government commitment to major structural reforms. Reforms in the cotton sector entailed a long consultative process and decisions in the electricity sector were delayed because of their political and social ramifications. Because of the difficulty in taking difficult political decisions, it may be desirable to have irreversible measures taken on key sectors before proceeding with programmatic lending.

110. **The rationale for key policies such as electricity and cotton reforms needs to be understood and supported by all stakeholders.** It is not clear that the Government fully understood or accepted the need for reforms in these sectors, given its resistance to introducing changes. In electricity, making the Government pay the power utility directly in 2011 and 2012 (as opposed to letting the utility accumulate losses which would lead to a bail-out in the future) was a positive step as it forced the Government to recognize the cost of its electricity tariff policy.

111. **The demographic problem undermines efforts to reduce poverty and needs to continue to be given priority.** The Bank's continued work in reproductive health issues seems to have contributed to a better understanding of the problem.

112. **Need for continuous sector dialogue and investment.** Success in some reforms entails considerable expenditures in technical assistance, equipment, physical infrastructure and time. This is true in capital intensive sectors such as transportation but applies particularly to the social sectors, notably population control programs where a continuous dialogue is critical. Budget permitting, consideration should be given to sector operations where continuous dialogue is possible and expected to yield results.

113. **Coordination of donor programs increases efficiency of assistance.** The reform agenda in the PRSCs was supported by other donors. Donors coordinated their financial and non-financial assistance particularly in the social sectors which proved effective. However, the effectiveness of donor working groups in ensuring synergies among the programs of different partners remained limited in some areas, for instance, the collaboration between the Bank and the Millennium Challenge Corporation (MCC) on the Bamako airport.

114. **The mix of policy-based operations and investment operations can be an effective approach to country programming.** In general, investment/technical assistance operations and policy reforms operations should be complementary to strengthen their impact. This approach was effective in telecommunications but did not help in electricity.

115. **Define adequate indicators.** Outcome indicators for the CAS are an important element in defining the CAS objectives and judging the quality of the program, but their design and measurement continues to be difficult. All key reforms should include indicators. Use indicators that are already tracked at the time of the CAS and attributable to ongoing Bank-supported activities. Including the CAS indicators in the monitoring tables of the Government could usefully be set up prior to the approval of the CAS.

Lessons Learned from the FY13-15 ISN

116. **Policy actions had impact when associated with technical assistance and reinforced through investment operations. The first stand-alone Development Policy operation was approved during the first year of the ISN and focused on key governance actions and sector-specific policy interventions (in energy and irrigation).** Immediately before the following DPO operation was approved, the governance scandal around the off-budget purchase of a presidential aircraft hit Mali, leading to the temporary suspension of budget support by all partners. Working closely with the IMF, the Bank was able to advise on revisions to the procurement codes aimed at clarifying internal regulations to apply emergency procurement procedures, while working to strengthen transparency measures to prevent similar situations to occur. Combined policy dialogue and support to implementing reforms was critical to successfully influencing governance advances and resuming budget support, by the Bank and all partners.

117. **Slow progress on some of the ISN indicators points to the importance of defining a strategy's expected outcomes and measurement indicators realistically.** The strategy's results framework should focus on results that are receiving attention under programs that are already in place or that will be addressed in interventions that come on stream early in the strategy period, in order to avoid setting expectations that are too high given the lead time needed to bring a project to full operation. The full results expected from later-period projects cannot reasonably be expected to be achieved by the end of the four-year country strategy cycle.

118. **Two important lessons from the CAS CR, in retrospect, were not adequately reflected in the ISN.** First, Mali's immediate needs and longer-term development challenges (population growth, poor investment climate, capacity constraints, etc.) may have been apparent in May 2013, but the conditions conducive for poverty reduction and reform were not. The number of operations prepared and ASA initiated during FY14 was significant, but there is some question as to whether: (i) the operations were designed with an appropriate timeline, given the need to enhance capacity, consensus, and commitment as precursors to results; and (ii) the analysis and advice was adequately disseminated and sufficiently absorbed by the authorities as a basis for maintaining dialogue.

119. **Second, challenging institutional arrangements and limited fiduciary capacity implementation continued to put Bank performance to test during the ISN period.** Preparation and simultaneous establishment of project implementation/management units considerably delayed accessing preparation funds and effectiveness of new operations. Alternative arrangements should be sought by, for example, using existing project implementation units to prepare new operations while new structures are put in place. Ultimately the aim is to limit the number and size of PIUs, or at least make sure that these are relatively mainstreamed into the key ministries. Under the ISN, a successful case of implementation arrangements without a PIU is the Education for All grant-funded project, while the Skills Development and Youth Employment Project streamlined implementation arrangements within the different ministries involved.

120. **In addition, the projects under implementation or being prepared early in the ISN period were perhaps too complex:** a review of the projects in the portfolio shows that the median number of components and sub-components was 3 and 7 respectively. In addition, the implementation arrangements were, for the most part, based on the traditional approach involving the technical ministry with an implementation unit. Whether the capacities of the proposed implementing agencies were adequately assessed or whether alternative implementation arrangements were considered during project preparation has yet to be determined.

CLR Annex 1. Summary of CAS and ISN Program Self-Evaluation

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
CAS Strategic Objective 1. Promote rapid and broad-based growth			Moderately Unsatisfactory
1.1 Agricultural Productivity and Competitiveness Increases		Partially Achieved	
<p>Agriculture productivity increases for specific crops in targeted areas: Cotton yield increases by 15 percent from its 2005/06 level (950t/ha) by 2011.</p> <p>Cowpeas yield increases from 400 kg/ha (2004) to 600 kg/ha (2011).</p> <p>Competitiveness for selected supply chains improves in targeted areas: Mango exports progress from 5,500t (2007) to 8,000t (2011).</p>		<p>Not achieved. Cotton yield at 850 t/ha in 2011. Reforms of cotton company (CMDT) have not been completed; program to increase yields has not been started. Program would be funded under Agricultural Productivity Project.</p> <p>Achieved. Dissemination of selected cowpea seeds raised yields from 250 to 750 kg/ha in 2011. Grower networks in place for potato/cowpeas and farmers are adopting new technologies. Supported by ACDP.</p> <p>Achieved. Exports 58,490 tons in 2011. Private operators/producers in fruit & vegetable supply chains are organized which has contributed to increased efficiency to meet demand. Professional entities established for cotton and mangoes. Supported by ACDP.</p>	<ul style="list-style-type: none"> • Agricultural Competitiveness and Diversification Project (ACDP) • Rural Community Development Project • GEF Gourma Biodiversity Conservation Project • Growth Support Project • Agricultural Productivity Project • PRSC V • West Africa Agriculture Productivity Program • West Africa Biodiversity Project • IFC investment in Agrobusiness: GRIMAS, Grand Moulin du Mali • IFC-IDA GIIF: regional index-based crop insurance
Local potato seed production covers 60 percent of national needs by 2011 from ~ 0 percent in 2007.		Not achieved. Information not available although potato production supported under ACDP. 194,000 t marketed in 2011.	
Availability of credit for agriculture improved:			

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
<p>Credit granted by BNDA and MFIs to agriculture increases from FCFA 70.3 billion (2003) to 72 billion by 2011.</p> <p>Agricultural pressure on natural resources reduced in Office de Niger and cotton zones:</p> <p>By 2011, cotton producing areas remain at 2006 level (500,000 ha).</p> <p>By 2011, soil salinity remains at 2006 level in Office du Niger (20 percent of irrigated ha) zone.</p>	<p>Indicator revised. Cotton producing areas remain at maximum of 2006 level. Revision to clarify that objective is to reduce land extension for cotton production to increase intensification of cotton production areas.</p> <p>Indicator dropped. Evolution of salinity is difficult to assess/ monitor on a large area.</p>	<p>Not verified. Information not readily available. Outcome not easily attributable to Bank program. At the end of 2011, FCFA 740 million financed under Bank Rural Community Development Project. Warehouse receipt mechanism developed for mango packaging which could have contributed to export growth.</p> <p>Not achieved. Land under cultivation is 477,000 ha in 2012; production has not intensified. Cotton productivity increase program will start when the CMDT reforms are completed. Cotton program funded under Agricultural Productivity Project.</p>	<ul style="list-style-type: none"> • Rural Finance Study • Country Environmental Assessment • Sustainable Land Management PER/CBA • Dialogue on sustainable land management • Country Strategic Investment Framework (CSIF) • Disaster Risk Management grant • Integrated Land and Water Mgt. for Adaptation to Climate Variability and Change TF <p>Planned FY12 lending: PRSC-6</p> <p>Partners:</p> <ul style="list-style-type: none"> • AfDB, MCC, USAID, Denmark, Netherlands, France, Canada, EU , IFAD, Swiss.
<p>Improved donor coordination and country leadership:</p>			

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
Government has set up national pooled financing mechanism for agricultural development.		Partially achieved. Fund for Agricultural Development (FNDA) established. The Fund is financed from the budget and does not yet meet requirements for donor financing. Agricultural Productivity Project (FY10) expected to use pooled financing mechanism once it meets requirements.	
1.2. Integration of Mali with regional/global markets by increased efficiency of transport operators (roads/railway/air) Mostly Achieved			
Transport costs of unloading imported containers (20-foot TEV) from ship to final destination are reduced by at least 10 percent. Baseline: US\$1300 in 2006.		Not achieved. Transport costs have remained unchanged in real terms during CAS period. Costs affected by problems of transiting through Côte d'Ivoire, the spike in oil prices and limited progress in increasing efficiency of Transrail Concession.	<ul style="list-style-type: none"> • Second Transport Sector Project • WA Transit and Transport Facilitation Project • West and Central Africa Airport Security Project • Growth Support Project • IFC – US\$25 million investment in Aga Khan Foundation for Celeste Air which includes Air Mali, Air

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
Rail freight has increased Baseline: 423,000 tons in 2005. Target: 50 percent increase by 2011.		Not achieved. Tons of freight moving by rail has decreased during period. 2010 ICR for Transport Corridor Project figure for freight traffic was 320,000 tons.	Burkina and Air Uganda <ul style="list-style-type: none"> • Governance diagnostic note Partners: <ul style="list-style-type: none"> • AfDB, EU, MCC, BOAD, KfW
Government ensures effective leadership/coordination in transport sector:			
Bi-annual joint evaluation and review missions conducted.		Partially achieved. Donors consult regularly with the Government to ensure coherence of assistance. There was probably some coordination with MCC on the airport terminal. As lending criteria differ, MCC proceeded with financing for the construction of a new airport terminal even though its rehabilitation was already included in a Bank project (GPP); airport component in Bank project cancelled when MCC provided financing for a larger project.	
Joint evaluation matrix prepared and used as monitoring tool.	Indicator dropped. The sector has a coordinated approach among development partners and Government in a less structured manner.		
More rural localities have year-round transport access:			

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators <i>(If applicable)</i>	Progress Towards CAS Outcomes	WBG Support
<p>Less than 20 percent of rural population lives more than 2 km from a year-round passable road. Baseline 2006: 41 percent.</p> <p>Percent of main roads in good condition increases from 35 percent (2005) to 65 percent (2011).</p>	<p>Indicator revised. Percent of people who have access to all weather roads increased in project impact areas. Indicator changed as baseline data only collected for project area. Baseline 2007:32 percent; target for end 2011:42 percent.</p>	<p>Partially achieved. 40 percent of people in project impact areas had access to all weather roads at end December 2010. (Second Transport Project).</p> <p>Achieved. 64.8 percent of main roads were in good condition in 2011. In 2008-2011 period 179 km of key national roads rehabilitated; 45 km of rural roads and 6.5 km of non-rural roads rehabilitated; 1400 km of rural roads maintained and 4 river wharves rehabilitated. (Second Transport Project & Transport Corridor Project). In 2008-2011 period 45 km of rural roads and 6.5 km</p>	
<p>Improved air safety and security in Mali as measured by:</p> <p>70 percent compliance rate with ICAO safety standards.</p> <p>40 percent compliance rate with ICAO security standards.</p> <p>Fewer than 10 serious airport security problems per year.</p> <p>Time to clear arriving passengers reduced from 70 minutes (2006) to 30 minutes (2011).</p>		<p>Achieved. 74 percent compliance in 2011.</p> <p>Achieved. 79.5 percent in 2011. 90 Security inspectors trained. Sufficient budget allocated.</p> <p>Achieved. 5 problems in 2010. CASPR.</p> <p>Achieved. About 30 minutes to clear arriving passengers in end December 2011.</p>	
Reduce deficit in basic services and increase availability of critical factors of production		Partially Achieved	
1.3 Increase power system reliability, viability, access and interconnection with other countries		Partially Achieved	

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
Additional 30-45 MW of thermal capacity installed by 2011 to increase power system reliability.		Achieved. With completion of two thermal power stations near Bamako (SOPAM and ISDB). In addition, 60 MW (of which 50 for Mali) installed under Bank-financed Regional Felou Hydroelectric Project, which is expected to come on stream in early 2013.	<ul style="list-style-type: none"> Household Energy and Universal Access Project (HEURA) Energy Support Project West Africa Power Pool APL 2 Felou Hydropower Project PRSC-5
EDM SA achieves financial viability/operational efficiency as measured by:			
EDM maintains technical and non-technical losses below 20 percent.		Not achieved. Technical and non-technical losses unchanged between 2008 and 2010 around 22 percent in total. Investments to reduce technical losses only expected to have effect in 2013 after completion of expansion works. EDM financial viability not achieved because mostly because nominal electricity tariffs were not adjusted to take into account increases in petroleum prices. 50 percent of supply is thermal.	<ul style="list-style-type: none"> Scaling Up Renewable Energy in Low Income Countries program (AfDB, IFC and IDA) IFC Kenie Hydro Project Governance diagnostic note
Electricity access rates have increased from 2 percent in 2005 to at least 6 percent in 2011 in rural and peri-urban areas.		Not verified. Electricity access rate in rural/peri-urban areas are estimated at 17 percent in 2010, but the figure is unreliable as it is based on methodologies which have varied over time. Although accurate figures are not available, significant progress was achieved in rural, peri-urban and urban electrification.	<p>Planned FY12 lending: PRSC-6</p> <p>Partners:</p> <ul style="list-style-type: none"> AfDB, France, Aga Khan, BOAD, ECOWAS, EU, India, KfW, Sweden, Dutch
Significant physical progress is made on electricity interconnection with neighboring countries: 85 percent of planned transmission lines constructed		Not achieved. Rate of construction of the interconnection is 47.9 percent in 2011. Problems in Côte d'Ivoire and lack of political commitment on the Ivorian side for the interconnection compromised progress. Completion of works was anticipated for the summer of 2012 before the recent political events	

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
		in Mali. Interconnection line not financed by the Bank but important for network.	
1.4 Increase financial sector efficiency		Partially Achieved	
Efficiency of commercial banks improved for better financial intermediation			
Spread between lending and deposit rates reduced from average of 9.1 percent in 2005 to 8 percent by 2009		Not verified. Comparable indicator not available. BCEAO data show spread between average lending and deposit rates declined from 5.04 percent 2006 to 4.49 percent in 2010.	<ul style="list-style-type: none"> • Growth Support Project • Financial Sector Development Project • PRSC 5
Ratio of gross NPL to total loans decreased from 29 percent in June 2005 to 10 percent by 2011	Revised indicator. Ratio of gross NPL to total loans decreased from 29 percent in June 2005 to 17 percent by 2011. Target revised to 17 percent (10percent unrealistic)	Partially achieved. In first half of 2011, the share of nonperforming to total loans was 20 percent (banks provisioned about 60 percent). Banking sector well capitalized (capital adequacy ratio about 15 percent, above the 8 percent minimum required).	<ul style="list-style-type: none"> • IFC – financial markets (BoA Mali, Ecobank Mali) • IFC investment in tourism sector (Hotel Azalai Salam) and support of industries that supply to hotels (Graphique Industries – prints material for tourism industry)
Share of total credit to private sector to increase from 51.7 percent in December 2005 to 60 percent in 2009.	Revised indicator. Bank credit to SMEs increase from 25.6 percent in 2006 to 30 percent of total loans and advances by 2011. Original indicator no longer tracked following restructuring of the project. Data for this indicator is collected through GSP Project. A proxy is being used to measure credit to SMEs.	Original indicator achieved. Credit to the private sector fluctuated but tended to increase during period (66 percent of total credit in 2006 to 78 percent in 2010) BCEAO data. Information on revised indicator not available.	<ul style="list-style-type: none"> • Rural Finance Study • ICA update • Programmatic TA: ICT policy dialogue
1.5. Improve business environment and Mali's Capacity to mobilize resources		Mostly Achieved	

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators <i>(If applicable)</i>	Progress Towards CAS Outcomes	WBG Support
Number of formal manufacturing enterprises increased by 10 percent by 2011. Baseline: 350 firms in the manufacturing sector.	Revised indicator. Time taken to approve new investments is reduced from 45 days in 2006 to 15 days in 2011. Original indicator dropped following restructuring of the GSP Project.	Partially achieved. Time taken to approve new investments: 3 days for business registration and 45 days for formal approval (2006). 1 day for registration and 25 days for formal approval (since 2008).	<ul style="list-style-type: none"> • IFC PEP-Africa /FIAS:TA in investment climate • IFC support to micro-entrepreneurs program (STEP) • IFC Africa leasing program • Doing Business Reviews (annual) • IFC Trickle up program • IFC Grassroots Business initiative <p>ASA and TFs:</p> <ul style="list-style-type: none"> • Mali – FSAP - completed • Regional FSAP – complete • Mineral Sector Assessment • ICA update – ongoing • Support to EITI implementation TF <p>Partners:</p> <ul style="list-style-type: none"> • AfDB, Denmark, France, EU, IMF, MCC
Access time to land by firms is reduced from 180 days to 30 days. Total corporate tax burden reduced from 50 percent to 47 percent to be closer to best performers in WAEMU zone.	Revised indicator. Number of days for property registration reduced from 44 days in 2005 to 30 days by end 2011. Original indicator dropped following restructuring of the GSP. Indicator dropped following restructuring of GSP and indicator not measurable.	Achieved. 1 day for business registration and 25 days for formal decision (2011).	
	CASCR Indicator. Number of companies created at the one stop shop (Guichet Unique (GU)). (2006 2032 new companies registered at the GU)	4681 in 2010 and 5223 in 2011. This represents a 50 percent increase in firms registered in the G.U by end of Growth Support Project.	
Improved Performance of non-agricultural sectors by 2011		Partially Achieved	
1.6 Tourism		Indicator Dropped	
Number of tourists increased by at least 30 percent. Baseline: 100,000 tourists in 2005.	Indicator dropped. May not be relevant CAS due to international factors and instability in the North of Mali.	The indicator was on track until 2010, when the political environment began affecting the sector. Tourists increased from 115,500 tourists in 2009; 129,496 in 2010 and 115,430 in 2011.	
1.7 Mining		Partially Achieved	
At least 3 new investments undertaken in small-scale mining activities.	Indicator revised. At least 10 new investments undertaken in small-scale mining activities.	Partially achieved. 3 new investments before end of 2010. Information for 2011 not available. Mining Code revised in 2009 with a focus on incentive framework for small-scale mining.	

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
	<p><i>CASCR. Mali complies with Extractive Industries Transparency Initiative Standards (EITI).</i></p> <p><i>CASCR. Investment in mining sector increased by 10 percent (from USD 155,000 in 2005). Growth project indicator.</i></p>	<p>Complied with EITI standards in 2010. Should help increase investor confidence in the future.</p> <p>Mining investment: USD 182m in 2006, USD 229m in 2007, USD 250m in 2008, USD 296 million in 2009, USD 349m in 2010.</p>	
1.8 Telecommunications		Achieved	
<p>Number of people with access to information and communication technology doubled. Baseline: 23.5/10,000 inhabitants in 2005.</p>	<p>Indicator revised: Teledensity increased from 2.5 percent (2005) to 30 percent by end 2011.</p>	<p>Achieved. Teledensity was 13.1percent in 2006, 21.09 percent in 2007, 26.4 percent in 2008, 31 percent in 2009, 50.2 percent in 2010, and 68 percent in 2011. The national telecommunications company (SOTELMA) privatized in 2009 and second operator licensed. A tender for a 3rd license was initiated in 2011.</p>	
		<p>Technical assistance for reforms provided under GSP. Reforms prior actions under PRSPs.</p>	
1.9. Increased productivity of targeted MSME		Not Verified	
<p>Increased sales</p> <p>Increased output. (Baselines/ targets for sales/output to be set once enterprises identified)</p>	<p>Indicator revised. Average revenue increase of beneficiary firms of STEP will increase from 25 percent in 2005 to 80 percent in 2011. Indicator collected through Growth Support Project.</p>	<p>According to the STEP impact study (2011), the average turn-over of participating firms increased from FCFA 5 million in 2005 to FCFA 12 million FCFA in 2010.</p>	
Strategic Objective 2. Strengthen public sector performance			Moderately Unsatisfactory
2.1 Public Financial Management		Partially Achieved	
<p>More transparent budget practices as measured by:</p>			

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
PEFA indicators on quality and timeliness of in-year budget reports and annual financial statements improved from D+ (2007) to at least C+ by 2011	Indicator revised. Timeliness of in-year budget reports from D+ (2007) to at least C by 2011.	Not achieved. Rated D+ in 2010 PEFA report. Analytical reports on budget execution are prepared quarterly but take 8 weeks to produce. Quality has improved.	<ul style="list-style-type: none"> • PRSC 5 • Governance and Budget Decentralization TA operation <p>ASA and TFs:</p> <ul style="list-style-type: none"> • CPAR • Action Plan for Modernizing and Strengthening Public Financial Management (PAGAM) • Public Expenditure and Financial Accountability Report (PEFA) • PEMFAR • ROSC accounting • Policy notes on growth • PEFA update • TA poverty monitoring • TA action plan for ROSC • TA poverty and PRSP brief • Governance note <p>Planned Lending FY12:</p> <ul style="list-style-type: none"> • PRSC 6 • Water Supply and Sanitation Project
	New indicator: Timeliness of annual financial statements improved from D+ (2007) to at least C+ by 2011	Partially achieved. Timeliness of financial statements rated C in the 2010 PEFA report. Budget execution laws are filed, but with substantial delays, at the Accounts Section of the Supreme Court.	
Improvement in procurement practices PEFA indicator on procurement will have increased from C (2007) to at least B by 2011.		Not achieved. 2010 PEFA rates procurement C. Limited progress reflects delays in implementation of approved reforms. Open competitive bidding used in award of 60 percent of government contracts (PEFA rating B). Procurement code in effect does not limit methods other than competitive bidding. New code to include WAEMU directive that methods other than competitive bidding should be used exceptionally and be justified	
Quality of internal and external budget control has improved as measured by:			
PEFA grades on internal and external audit have risen from D+ and D (2007) to at least C (2011).	Indicator revised. PEFA grades on internal and external audit have risen from D+ (2007) to at least B (2011).	Not achieved. Rating for indicators on external scrutiny remained unchanged at D+: two indicators rated at D+ and one indicator rated at B+ (for legislative scrutiny). The rating for the effectiveness of internal audits remained unchanged at D+. Reforms expected in 2012 would have improved ranking. The Supreme Court Audit Section performs few audits due to limited capacity linked to constitutional cap on magistrates. The mandate of the Auditor	

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators <i>(If applicable)</i>	Progress Towards CAS Outcomes	WBG Support
		General's office should be clarified to enable it to perform audits. The legislature voted in 2011 constitutional reforms to resolve issues, including the establishment of a Court of Accounts to comply with WAEMU rules. Changes were to be ratified in a referendum in 4/12.	Partners: AfDB, EU, France, Canada, IMF, Netherlands, PAGAM
Link between budget and sector strategies has improved as measured by:		Not verified	
Annual MTEF update to include sector operational plans (education and health) Resources transferred from center to municipalities have doubled from 2007 level of 1 billion FCFA.	First two indicators dropped. New indicators measure policy-based budgeting and PFM capacity at decentralized level focus on the creation of systems rather than on flow of funds.	In 2010: FCFA 1.8 billion transferred to territorial communities of which FCFA through national agencies and FCFA 1,510 billion directly. Transfer from national agencies to local communities still not done on a timely basis	
Service delivery has improved, as evidenced by beneficiary surveys	New indicator. Share of primary expenditure of sectors for which sector strategies exist/cost broadly consistent with fiscal forecasts. Baseline (2006): 48.2 percent; Target (2013): 75 percent <i>CASCR. percent of government budget (executed) for education and health. Baseline (2006): 24.7 percent</i> New indicator. PEFA indicator on timeliness of reliable information to sub-national entities Baseline (2006): D; Target (2011): C	2011: 80 percent (figure from draft ICR for PRSC III-V) <i>2011:29.8 percent</i> Measure not available in 2010 PEFA report. 2010 PEFA refers to 2006. Beneficiary survey was to be undertaken in 2012 under TA operation.	
2.2 Improve access and quality of basic education, including strengthening institutional capacities			Not Achieved

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
67 percent primary completion rate by 2011 (disparities reduced between urban/rural and between girls/boys) Baseline: 2005–06: girls 38 percent, boys 59 percent, total 49 percent).		<p>Not achieved. Primary completion rate 58.3 percent in 2011. Primary completion rate for girls 51 percent and for boys 67.5 percent with a parity index of 0.8.</p> <p>Low internal efficiency, poor quality of learning, inadequate budget allocation, and low teachers' qualifications (97 percent of classroom teachers are community teachers) explain the results. In addition, 2010 census shows higher population growth in decade than estimated (3.6 percent against 2.6 percent), which affected outcomes for totals but not necessarily outcomes on gender disparities</p> <p>During CAS period,</p> <ul style="list-style-type: none"> - 1,400 classrooms constructed; 6, 000 teachers trained; 3,000 community teachers trained and paid by the Government; 100 percent of community schools fully subsidized to reduce out of pocket expenses for poor families; - National strategy for girls' education prepared and being implemented; Study completed to identify skill requirements to support economic growth. 	<ul style="list-style-type: none"> • PRSC 5 • IFC – US\$11 million loan to Graphique Industries which produces some 48 percent of textbooks and 100 percent of notebooks for the PRODEC program <p>ASA and TFs</p> <ul style="list-style-type: none"> • Skills development study – completed. • TA youth initiative – completed • TA non formal education – completed • Education country status report Devt. Learning Center <p>Planned FY12:</p> <ul style="list-style-type: none"> • Higher Education Project • PRSC 6 <p>Partners:</p>
70 percent of primary students reaching average score in language, reading, and mathematics in grades 2 and 5.		<p>Not achieved. Latest test (2011) shows that 30 percent of primary students reached average score in language, reading, and mathematics.</p>	

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
Girls represent 50 percent of total primary students (2011) (Baseline 44.1 percent in 2005–06).		Partially achieved. Girls represented 45.7 percent of total primary students in 2011. Bank to analyze expenditure effectiveness and given results engage government on quality issues. Analytical work conducted during the CAS period basis of dialogue.	<ul style="list-style-type: none"> • AfDB, France, Canada, Germany, Netherlands, USAID, Denmark, IFC
2.3 Improve access to and quality of HIV/AIDS-related services		Mostly Achieved	
At least 60 percent of adult people know 2 ways of HIV/AIDS transmission by 2011 (Baseline: 36.5 percent in 2002).	Indicator dropped. Project results matrix revised following restructuring of project in May 2009 to align indicators with the new WB HIV/AIDS scorecard.		<ul style="list-style-type: none"> • HIV/AIDS MAP • PRSC 5 • Reproductive Health Project
Condom use among men who have had sex with more than 1 partner in last 12 months rose from 33 percent to 45 percent by 2011.	Indicator dropped. Same as above.		<ul style="list-style-type: none"> • Demography and economics • TA Social safety nets • TA Follow-up social safety nets
Testing services offered in at least 40 nonpublic facilities (up from 2) and all reference hospitals comply with national standards.	Indicator revised: Testing services offered in at least non-public health centers to be 25 by end 2011. Original target overambitious given available funds	Partially achieved. 22 non-public testing facilities were providing testing services as of end 2010.	<ul style="list-style-type: none"> • Health country status report • IFC – Health in Africa initiative
At least 10,000 persons living with HIV/AIDS eligible for treatment are under antiretroviral drugs and monitoring by 2010 (from 3,000 in 2005).	<p>Indicator revised: At least 9,000 persons living with HIV/AIDS eligible for treatment are under antiretroviral drugs and monitoring by end 2011.</p> <p>New indicator: 55,000 persons aged 15+ receiving counseling and testing for HIV and received their test results.</p>	<p>Achieved. At the end of 2010, 23,963 patients eligible under all donor programs. 4071 received entry test to make them eligible for antiretroviral drugs and monitoring (by MAP).</p> <p>Achieved. 93,800 persons at the end of 2011.</p>	<p>Planned lending:</p> <ul style="list-style-type: none"> • PRSC 6 <p>Partners:</p> <ul style="list-style-type: none"> • AfDB, EU, Belgium, Canada, France, Global Fund, Netherlands, UNICEF, USAID

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
2.4 Increase use of health services		Partially Achieved	
70 percent of births assisted by qualified health personnel (Baseline: 51 percent, 2006). 4 percent of population covered by a health mutual (Baseline: 1.4 percent, 2005). 90 percent immunization rates for DTCP3 (Baseline: 68 percent in 2006).		<p>Not achieved. 57 percent of births assisted by qualified health personnel in 2010.</p> <p>Partially achieved. 2.9 percent of population covered by a health mutual in 2010.</p> <p>Achieved. Immunization rates for DTCP3 at 100 percent in 2009.</p>	
Use of modern contraception increased to 500,000 couple-years of protection (Baseline: 256,000 in 2006).		<p>Partially achieved. Use of modern contraception currently at 490,542 couple-years of protection in 2010.</p> <p>Road map for reducing maternal mortality approved in 2009. Contracting of NGOs to increase coverage was implemented by 2009.</p> <p>Work ongoing to establish a system for rewarding performance of health districts.</p>	
2.5 Aid harmonization increase and reduction of transaction costs		Mostly Achieved	
Joint framework for general budget support in place and followed. Reduced number of parallel PIUs in Bank operations: maximum 4.		<p>Achieved</p> <p>Not achieved. All but PRSC series have PIUs. Government agencies weak and budgetary systems inadequate making it difficult to eliminate PIUs. Agricultural Productivity Project expected to use government systems once these are able to track</p>	<ul style="list-style-type: none"> TA and ESW/ASA from WB, EC, and other budget support donors

SUMMARY OF CAS PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators (If applicable)	Progress Towards CAS Outcomes	WBG Support
Program-based approaches: at least 66 percent of Bank portfolio. Coordinated ESW/ASA: at least 66 percent of all Bank ESW/ASA.		expenditures accurately. Some project units more streamlined and subcontracting key activities such as procurement to private operators (e.g. transport). Objective optimistic. Achieved. 65 percent based on disbursements.	
Collaborative sections of next Country Assistance Strategy drafted and Memorandum of Understanding signed by Government and main donors (including WB).		Achieved. 2009 CAS was prepared jointly with IFC and with involvement of key donors and signed by them; new CAS preparation not started.	
Cross-cutting Issues: Governance and Capacity Development			Moderately Satisfactory
No indicators were provided in the CAS. The CAS aimed to consolidate and deepen the Government's reform program in the area of governance and capacity development.		Support to strengthen the management capacity and governance of the mining sector, which enabled Mali to be compliant with EITI. Governance assessments of the energy and transport sectors. The energy assessment identified measures to deal with losses in the electricity company, which were integrated into the design of the Energy Support Project. The transport analysis served as the basis for discussions on the controls faced by the transport sector.	ASA and TFs <ul style="list-style-type: none"> • Mineral Sector Assessment ASA • PEMFAR Lending <ul style="list-style-type: none"> • PRSC Series

SUMMARY OF CAS PROGRAM SELF-EVALUATION

(Indicators updated with most recent information)

Original CAS Outcomes and Indicators	Revised CAS Outcomes and Indicators <i>(If applicable)</i>	Progress Towards CAS Outcomes	WBG Support
		<p>Public expenditure management reform aimed at improving public procurement for greater transparency.</p> <p>The PRSC series and the Capacity Building Project emphasize accountability in public expenditure management while the Urban Local Governments Support Project will support strengthened institutional capacity of five targeted local governments.</p> <p>Using an approach sponsored by the World Bank Institute the Bank prepared action plans on public procurement regulatory framework in the energy sector, public revenue administration, and monitoring and evaluation</p>	

Sources: World Bank, Country Assistance Strategy, Progress Report of Country Assistance Strategy, Staff Appraisal Reports, Project Reports, and Program Reports for PRSC's, Implementation Status and Project Completion Reports, IMF/WB, Joint Staff Advisory Note on Poverty Reduction Strategy Paper, IMF, Mali: Seventh Review under the Extended Credit Facility and Request for a new Three-Year Arrangement under the Extended Credit Facility—Staff Report, IMF, PRSF Progress reports 2009 and 2010. BCEAO Report on Banking.

Note: Indicators in italics in the second column added to better show progress in CAS period.

SUMMARY OF ISN PROGRAM SELF-EVALUATION (Indicators updated with most recent information)			
Cluster of outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
Priority Area I. Laying the foundations for long-term accountability and stability			Not rated
<p>Country level development goals Improve governance through decentralization for balanced country development and ongoing public service reform Improved transparency</p> <p>Related development challenges/issues Highly centralized resources and governance system: limited decentralization to regions, districts and municipalities; weak budget execution and fiduciary functions. Centralization of budgets contributes to regional divisions and fragility</p>			
<p>Outcome: Local entities - regions, districts, municipalities - are provided with timely information on the allocations to be transferred from the central level Not verified</p>		<p>Lending</p> <ul style="list-style-type: none"> ✚ Governance and Budget Decentralization – TAL ✚ Urban Local Government Support ✚ Recovery & Reform Support Credit <p>ASA</p> <ul style="list-style-type: none"> ✚ Country Statistical Assessment ✚ PFM/Procurement impediments to service delivery ✚ Country Integrated Fiduciary Assessment ✚ Security PER ✚ Public Expenditure Tracking in key sectors <p>Regional</p> <ul style="list-style-type: none"> ✚ Regional Directives and Country Systems ESW ✚ Regional Public Investment Value Chain ESW 	<p>Borrowers and implementing agencies have a tendency to focus on the realization of prior actions, dedicating less attention to the results framework. Attention should be paid to the quality of outcome indicators at the outset, making sure that these indicators are relevant to the objectives, that they can be measured at every step of implementation, and that the authorities fully own them.</p> <p>Capacity constraints are a structural feature of Mali's administration and will require much realism with the design of operations, close monitoring, and a permanent dialogue with authorities.</p>
<p>Indicator: Predictability of budget allocations transferred to local entities: Baseline 2012: operational budget allocations transferred to local entities in the first quarter of the year, investment budget transferred by the fourth quarter. Target 2014: investment budget allocations transferred to local entities by the second quarter.</p>	<p>Status: Data on indicator not available. The CTs are informed simultaneously with the remaining administrative entities of their budget allocations. Available data indicate that predictability of budget allocations transferred to local entities has not improved. While budget allocations to CTs went up from 215.2 MFCFA in 2011 to 258.1 MFCFA in 2013, actual transfers remained significantly below budgeted amounts standing at 96.1 MFCFA in 2011 and 111 MFCFA in 2013.</p>		
<p>Outcome: Quality of internal and external budget control has improved Not verified</p>			
<p>Indicator: PEFA grades on internal and external audit have risen. Baseline: D+ in [insert year]. Target: B in 2014</p>	<p>Status: Data is not available as the PEFA 2015 is not yet done (expected at end 2015). External control has experienced mixed improvements. The 2013 Loi de reglement was submitted to Parliament in 2014 and the Section des Comptes has stepped-up their efforts to reduce the audit back-log.</p>		

	However, the loi organique de la Cour supreme has not yet been adopted.		
Priority Area II – Protecting Human Capital and Building Resilience			Moderately Satisfactory
<p>Country level development goals Develop human resources and increase equitable access to quality social services (maternal and child health, education, social protection in particular) Pro-poor expenditure preserved in the budget</p> <p>Related development challenges/issues Very low human development outcomes Impact of the crisis on social cohesion, vulnerability and human development outcomes The crisis has put pressure on budget making it difficult for the Government to maintain expenditures in critical social sectors</p>			
Outcome: Increased primary education enrollment		Mostly Achieved	<p>Lending</p> <ul style="list-style-type: none"> ✚ Strengthening Reproductive Health ✚ Education for All Emergency Project ✚ Emergency Social Safety Nets Project ✚ Piloting Effective Early Childhood Development Services (TF) ✚ Using Diaspora to Transfer Knowledge in Higher Education (TF) ✚ Skills Development and Youth Employment ✚ Social Service Delivery ✚ Recovery & Reform Support Credit <p>ASA</p> <ul style="list-style-type: none"> ✚ Service Delivery in Low-density Areas ✚ Global Partnership on Social Accountability (GPSA) ✚ Geography of Poverty ✚ Demand for jobs/sources of growth
Indicator: Number of additional students enrolled in targeted areas increased Baseline: 0 in 2013 Target: 40,000 in 2015	Status: Number of additional students enrolled in targeted areas has increased from 0 (2013) to 32,500 (2015 Apr) with a target of 40,000 by the end of 2015 [P123503 – Emergency Education for All]		
Outcome: Improved maternal health		Achieved	
Indicator: Pregnant women who have at least 4 antenatal care visits Baseline: 37.80% in 2010 Target: 40% in 2015	Status: Pregnant women who have at least 4 antenatal care visits [Baseline: 37.80% in 2010. Target: 40% in 2015] 41.2 percent of women had 4 or more antenatal consultation, which exceeds the 2015 target		
Outcome: Improved resilience of vulnerable social groups resulting from implementing a cash transfer program		Mostly Achieved	
Indicator: Poorest households benefitting from cash transfers program Baseline: 0 in 2012 Target: 30,000 households, equal to 200,000 people, in 2014	Status: The number of poor households benefitting from cash transfers program has increased from 0 (2013) to 26,398 (2015) with a target of 30,000 households (2014) [P127328 – Emergency Social Safety Nets].		
			<p>Changes of the staffing in related ministries present a significant risk to project implementation. In addition, functional Project Implementation Units, especially effective project coordinators, are critical to project implementation.</p> <p>Project teams should utilize a variety of available data sources to collect indicators, where available.</p> <p>When project teams rely on national statistics system to collect indicators, the lack of such a system in some regions may present a risk of M&E data unavailability, resulting in project downgrade.</p> <p>Frequent troubleshooting meeting between the Bank</p>

Outcome: Pro-poor growth protected		Partially Achieved	<ul style="list-style-type: none"> ✚ Impact of the crisis on HD sectors ✚ Social Sector Delivery Review ESW Regional ✚ Regional Demographic Study ESW ✚ Regional Sahel Sources of Fragility ESW 	team and the project teams have delivered results.
Indicator: Share of priority pro-poor expenditures to total expenditure in GDP Baseline: 6.0% in 2012 Target: 6.7% in 2013	Status: The share of priority pro-poor expenditures as a proportion of total GDP expenditures has increased from 5.9 percent (2012) to 6.1 percent (2014).			
Priority Area III – Preparing the Conditions for Economic Recovery			Moderately Satisfactory	
Country level development goals Supporting accelerated growth, sustainable, pro-poor, jobs creation and promoting income generating activities Improved connectivity to stimulate economic growth and help unite the country Improved efficiency and service delivery in energy and water Related development challenges/issues Large part of poor population depends upon low productivity in agriculture Agricultural productivity suffers from use of old techniques, lack of water, and limited irrigated areas Lack of modern road network and modern transportation facilities hinder economic activity and accentuate regional divisions High regional inequalities in infrastructure and services contributes to sense of inequity and fragility Energy services are inefficient and limited in coverage and face serious sustainability issues since before the conflict Potable Water supply is constrained by inefficiency of existing system and limited coverage Conflict destruction remains to be assessed and priorities defined and costed				
Outcome: Improved access to finance for agricultural women		Partially Achieved	Lending <ul style="list-style-type: none"> ✚ Rural Community Development Project ✚ Agricultural Competitiveness and Diversification Project (ACDP) <ul style="list-style-type: none"> ✚ ACDP Additional Financing ✚ Second transport sector project ✚ Energy Support Project ✚ Reconstruction & Economic Recovery 	Government authorities need to be as proactive as possible on Project hosting arrangements so as to discuss and decide on this critical aspect as soon as possible so that not only possible delays in project preparation can be avoided or significantly reduced ownership is fostered and stronger commitment of authorities early on. .
Indicator: Percentage of women benefitting from access to finance through sub-projects increased Baseline: 32% of beneficiaries in 2012 Target: 40% of beneficiaries in 2015	Status: The proportion of women benefitting from access to finance through sub-projects increased from 32 percent of beneficiaries (2012) to 34 percent (2015 May) with a target of 40 percent (2015 June); [P081704 - Agr Compet & Diversif (FY06) - (PCDA)]			
Outcome: Improved road network between Central and North East Mali and between Mali and Burkina Faso and Ghana		Mostly Achieved		

<p>Indicator: Number of Km of roads of selected routes upgraded Baseline: 92 km of rural roads in 2010 Target: 295 km in 2015</p>	<p>Status: Number of Km of roads rehabilitated has increased to 250km by April 2015. [P090075 - Transp Sec SIL 2 (FY07)]</p>	<ul style="list-style-type: none"> ✚ Rural Electrification Project ✚ Energy Sector PRGs ✚ Bamako Water Supply 	<p>Capacity building at all levels is essential for community empowerment. local government (i.e., communal) institutions, local public and private sector service providers, and the affected rural communities themselves.</p> <p>The availability of parallel financing and contingencies on upstream investments by other donors could put the success of the Bank operation at risk.</p> <p>Persistent insecurity in some areas of project interventions potentially undermines project implementation and accessibility of project teams to some project areas in the North. Alternative implementation arrangements are proposed to circumvent the constraints imposed by a potential deteriorating security. Also, the delivery risk is compound by the need to closely coordinate project activities with a variety</p>
<p>Outcome: Access to electricity in rural areas increased Achieved</p>		<p>✚ Impact of the Crisis on private and financial sector</p>	
<p>Indicator: Number of electricity connections increased (utility and rural mini-grids) Baseline: 360,000 at the end of 2012 Target: 410,000 by June 2015 (revised to 330,000 during restructuring)</p>	<p>Status: The number of electricity connections increased from 201,539 (2009) to 346,978 (2015), surpassing the target of 330,000 (2015) [P108440 - Mali Energy Support Project SIL (FY09)].</p>	<p>✚ Mineral Assessment TA</p> <p>✚ Deepening Telecom Service Reform</p>	
<p>Outcome: Water supply coverage increased Not Verified</p>		<p>Regional</p> <ul style="list-style-type: none"> ✚ West Africa Transport & Transit Facilitation Project ✚ Niger Basin Water Resources Development and Sustainable Ecosystems Management 	
<p>Indicator: Number of people with access to potable water Baseline: 780,000 in 2013 Target: 880,000 in 2015</p>	<p>Status: Number of people with access to potable water [Baseline: 780,000 in 2013. Target: 880,000 in 2015]</p>	<ul style="list-style-type: none"> ✚ West Africa Regional Communications Infrastructure Project (WARCIP) ✚ WAAP ✚ Senegal River Basin ✚ OMVS Felou Hydroelectric Project (West Africa Power Pool) 	

**CLR Annex 2: CAS and ISN Program Summary: Planned, Delivered and Additional Activities
CAS: Planned Lending Program and Actual Deliveries (FY08-12) (USD Million)**

FY	CAS Planned lending		Status	
FY08	IDA		IDA	
	PRSC II	42	PRSC II	42.0
	Regional Operations	6	Regional Operations	0.0
	Total IDA FY08	48	Total IDA FY08	42.0
	Other financing		Other financing	
	GEF WA Biosafety Project	25	GEF WA Biosafety Project	3.9
FY09	IDA		IDA	
	PRSC III	40	PRSC III	65.0
	Energy Support Project	75	Energy support Project	120.0
	TA for Service Delivery	15	Postponed to FY11	-
			HEURA Additional Financing	35.0
			HIV/AIDS Additional Financing	6.0
	Subtotal	130	Subtotal	226.0
	Regional Operations	8		0.0
	Total IDA FY09	138	Total IDA FY09	226.0
	Other Financing		Other Financing	
	GEF Sustainable Land Mgmt. *	6.3		
			PRSC II Additional Financing (Global Food Crisis Response Program)	5.0
FY10	IDA		IDA	
	PRSC IV	50-60	PRSC IV	55.0
	Agriculture Productivity Project	70.0	Agricultural Productivity Project	70.0
	Subtotal	120-130	Subtotal	125.0
	Regional Operations	8-18	Felou Regional Hydroelectric Project (West Africa Power Pool) Additional Financing	14.2
Total IDA FY10	138	Total IDA FY10	139.2	
Other Financing		Other Financing		
			GEF Agricultural Productivity	6.2
			PRSC IV Global Food Crisis Response Program	15.5
2011	IDA		IDA	
	PRSC V	50-60	PRSC V	70.0
	Urban Operation	70	Urban Local Governments Support Project	70.0
			Governance and Budget Decentralization TA	12.0
			Transport Sector 2 Additional Financing	23.0
	Subtotal	138	Subtotal	175.0
	Regional Operations	8-18	Regional Operations	0.0
	Subtotal IDA FY11	138	Subtotal IDA FY11	175.0
Total IDA FY08-11	462	Total IDA FY 08-11	582.2	
FY12	No indicative program for FY12 in CAS; FY12 program in CAS Progress Report			
	IDA (CAS Progress Report)**		IDA	
	PRSC VI	70		
	Higher Education and Skills Development	50		
	Strengthening Reproductive Health	30	Strengthening Reproductive Health (actual)	30.0
	Total IDA FY12	150	Total IDA FY 12	30.0
	Other Financing		Other Financing	
			HEURA Additional Financing (TF to Support Energy Small and Medium Enterprises in SSA and AF Renewable Energy Access TF)	8.5
TOTAL IDA FY08-12		612	TOTAL IDA FY08-12	612.2

*: Fully blended with IDA Agricultural Productivity Project.

** : Estimates for FY12 were indicative.

CAS: Planned Non-lending Services and Actual Deliveries (FY 2008-2012)

CAS Plans FY08-11		STATUS
FY08	Rural Finance Study	Completed in FY09
	Demography and Economics	Completed in FY11
	PEMFAR	Completed in FY11
	Governance Diagnostic Study	Completed in FY09
	Poverty and PRSP brief (TA)	Completed in FY09
		Telecommunications Policy Dialogue – TA
FY09	Growth note on mining	Converted to policy notes on growth
	Skills Development Study	Completed in FY10
	Country Environmental Assessment	Profil Environnemental du Milieu Urbain (Urban Environmental Analysis (Report No. 60788-ML, March 2011)
	ICA Update	Converted to a Private sector growth diagnostic completed in FY12
	SLM Advisory Services	Policy dialogue on sustainable land management. Started in FY08
		Rural Finance Study. May 2012.
		Governance Diagnostic Study
		Poverty and PRSP brief -TA
FY10	Growth note on tourism	Converted to policy notes on growth (informal, 2010)
	Social Protection	Converted to social safety net – TA
	PEMFAR Update	Completed in FY11
	Poverty and PRSP brief (TA)	Poverty Brief. Completed in FY12.
		Mali Financial Sector Assessment –Joint IMF-World Bank Financial Sector Assessment (Report 47359, February 2009)
		Le développement des compétences pour la croissance économique et la compétitivité au Mali (Octobre 2009)
		L'éducation au Mali: Diagnostic pour la préparation de la 3ème phase du programme d'investissement du secteur de l'éducation (November 2010)
		Rapport sur le Respect des Normes et Codes Comptabilité et Audit. Report # P113826. June 2019
		ICT Policy Dialogue – TA. Report on Standards and Codes
FY11	Growth note on light manufacturing	Replaced by policy notes on growth (above)
	Governance Follow-up	Under preparation. Due December 2012.
		Mali – The Demographic Challenge (Report No. 44459-ML, March 2010)
		Public Expenditure Management and Financial Accountability Review (Report No. 48826, March 2010). PEMFAR and update in one report.
		Follow-up on Social Safety Nets – TA
	TBD	Youth Initiative TA (Ministère de la Jeunesse des Sports ; Document de Politique Cadre de Développement de Jeunesse au Mali. September 2010).
	TBD	Non formal Education TA
		Urban Environmental Analysis
		Policy notes on growth
		Public Expenditure Management and Financial Accountability Review. Report 46826-ML. March 2010
		Education Country Status Report Update
		Health Country Status Report
		Dialogue on SLM –TA
		Telecommunications policy dialogue – TA
	Action plan for ROSC –TA	
FY12		Investment Climate Assessment. SME's Growth and Diversification in Mali. March 2012

ISN: Operations by Fiscal Year (FY)	Source of Financing (USD million)			ISN Priority Areas			Status
				Priorit y Area I	Priorit y Area II	Priorit y Area III	
	IDA	TF	IFC				
Immediate Response FY13							
AF-Agricultural Competiveness & Diversification	20					X	Delivered
Emergency Social Safety Nets	70				X		Delivered
Emergency education EFA - FTI Grant		41.7			X		Delivered
Recovery & Reform Support Credit (DPO)	50			X	X	X	Delivered
Access to Finance			18			X	Delivered
Total Immediate Response	140						
FY14							
Bamako Water Supply Project	70				X	X	Delivered (\$80m)
Reconstruction & Economic Recovery	70				X	X	Delivered (\$100m)
Natural Resources Management in a Changing Climate	6	6			V.	X	Delivered (\$12m+\$6m)
Rural Electrification Hybrid System	25	20				X	Delivered (\$25m+GPOBA STREP)
Skills Development and Youth Employment	50				X		Delivered (\$63m)
Provision of basic services and infrastructure at the local level	TBD					X	Not included in program
DPO	50			X	X	X	Moved to FY15 due to temporary suspension of budget support
Access to finance			24			X	Delivered
Infraventure (Kenie)			1			X	
FY15							
Social Service delivery	30				X		Replaced with Higher Education Project (\$33m, March 2015)
DPO	50			X	X	X	Delivered (\$63m)
Energy PRGs	10					X	Delivered (Banda Gas)
Access to finance			29			X	
Regional Program							
WARCIP Mali	21					X	Dropped (China financed links)
WAAPP	TBD					X	Delivered
Senegal River Basin	20					X	Delivered
Additional Activities not Planned in the ISN							
Sahel Women Empowerment							Delivered
Sahel Pastoralism							FY15-on track
Obsolete Pesticides Grant		3.5					FY15-on track

ISN: ASA	ISN Pillars and Foundation			Status
	Priority Area I	Priority Area II	Priority Area III	
FY14				
Global Partnership on Social Accountability (GPSA)		X	X	GPSA did not accept Mali's NGOs/CSOs funding proposals
ESW – Service Delivery in low-density areas	X	X		Delivered
ESW – Geography of Poverty		X		Completed, to be disseminated in April
ESW-Security PER	X			Delivered
TA – Deepening Telecom Sector Reform			X	Completed to be disseminated in June
ESW – Regional Demographic Study		X		Delivered
ESW – Regional Sahel Sources of Fragility	X	X	X	Ongoing - Fragility Assessment Update
Regional Directives and Country Systems	X			Delivered
FY15				
Country Statistical Assessment	X	X	X	Delivered
Programmatic ESW – HD Impact of the crisis		X		Delivered
ESW – Service Delivery Indicators		X		Ongoing
ESW Demand for jobs/sources of growth		X	X	Dropped
ESW Impact on PSD and FS			X	Ongoing
ESW-PFM/Procurement impediments to service delivery in key sectors	X			Delivered
ESW- Macroeconomic Recovery Notes	X			Delivered
ESW-Country Integrated Fiduciary Assessment	X			Delivered
TA-Mineral Assessment		X	X	Delivered
ESW-Regional Public Investment Value Chain			X	Delivered
Additional Activities not Planned in the ISN				
ESW Joint UN/WB – Socioeconomic impact of MINUSMA on Mali			X	Ongoing
Illicit Traffic and Governance	X			Ongoing
FSAP Development Module	X		X	Requested by GoM in FY15 -Ongoing

Annex 3. Summary of Consultations

1. **Consultations on the CPF took place in Bamako between June 15 and 20, 2015.** The main objectives of the consultation were (i) to crosscheck findings from the SCD, (ii) to check about the relevance of the proposed CPF areas of focus, and finally (iii) to collect recommendations from participants on priority intervention areas. The team consulted on the CPF Areas of Focus, key areas of planned engagement, and approaches for implementation of the new CPF.
2. **Discussions with government, civil society and partners confirmed the relevance of the proposed CPF Areas of Focus,** namely to: (i) improve governance, (ii) create economic opportunities, and (iii) build resilience. Partners shared information on their ongoing and planned programs and confirmed the relevance of the Areas of Focus and orientations.
3. **Representatives of the Civil Society Organizations validated the findings from the SCD and validated the relevance of the CPF areas of focus to address the major constraints to poverty reduction spelled out in the SCD.** They also proposed some concrete recommendations on (i) how to improve transparency and citizen participation at the central and local levels, (ii) how to improve agricultural productivity: water management, subsidies and access to irrigated lands, and (iii) how to build resilience.
4. **With regard to Area of Focus 1 of the CPF, participants provided actionable recommendations** with an emphasis on (i) strengthening the capacity of Civil Society Organizations to exercise their advocacy and watchdog roles and their capacity to mobilize citizens; (ii) fostering transparency and access to information; (iii) applying citizens participation at every stage of policy making and budget formulation and monitoring including in the restoration process of peace and security; (iv) develop interactions between governments and citizens (individuals, Community-Based Organizations and Civil Society Organizations). With regard to improve agricultural productivity, participants highly recommended direct supports to farmers rather than support through the central government. They mainly proposed the following interventions: (i) provide support to women, (ii) expand irrigation, (iii) strengthen the capacity of farmers to get quality products, (iv) address land issues, (v) develop mechanization and transformation, and (vi) adjust regulations to the current challenges and context. Finally, on Area of Focus 3, to build resilience, they recommended the following priorities: (i) address job issues in the rural areas, (ii) develop income generating activities and small and medium enterprises, (iii) improve infrastructure, (iv) improve education and address gender-based violence; (v) inform rural people about access to finance, (vi) improve public service delivery, including services for nomadic populations.
5. **Representatives of participating Civil Society Organizations confirmed the findings from the SCD with regard to the incidence of poverty and the major constraints to poverty reduction in Mali.** They also validated the relevance of the three CPF areas of focus that will contribute to addressing the constraints identified in the SCD: (i) improve governance, (ii) create economic opportunities and (iii) build resilience.
6. **The consultation process comprised discussions on three themes drawn from the CPF areas of focus and resulted in concrete recommendations** on (i) how to improve transparency and

citizen participation at the central and local levels, (ii) how to improve agricultural productivity: water management, subsidies and access to irrigated lands and (iii) how to build resilience.

CPF area of focus 1: improve governance

Theme: how to improve transparency and citizen participation at the central and local levels.

‘Transparency and accountability are intertwined, there cannot be any accountability without transparency and officials are not open to transparency unless they are held accountable’ (Oumou TOURE, President of CAFO, Civil Society Organization)

7. **In order to improve transparency and citizen participation at the central and local levels, participants to the consultation workshop gave actionable recommendations that can be summarized in four key intervention areas:** (i) strengthening the capacity of Civil Society Organizations to mobilize citizens and to exercise their advocacy and watchdog roles; (ii) fostering transparency and access to information; (iii) applying citizens participation at every stage of policy making and budget formulation and oversight; and (iv) developing interactions between governments and citizens.

- **Strengthening the capacity of Civil Society Organizations to mobilize citizens and to exercise their advocacy and watchdog roles:** according to senior representatives of the civil society organizations at the consultation workshop, Mali has its own success story concerning the active involvement of civil society organizations in development initiatives and state affairs. This was mainly due to strong credibility which led to great mobilization capacity. But they also recognized that this status has been declining because some CSOs have lost sight of their major mandate and strengths and got involved in activities that were beyond their capacities. This change in behavior has tainted their reputation and has weakened their mobilization capacity. Thus, there is a need to refocus on their mandate and *raison d’être* through peer-to-peer trainings, experience sharing and some targeted expertise-and-theme-specific trainings at the local and national levels. That will also allow CSOs to strengthen networking among themselves. Along with that, CSOs should also invest more in informing and educating citizens about their rights and obligations, such as their rights to information, high quality service and their obligation to pay taxes. This will bring about dual advantage as it will help solidify relationship between CSOs and citizens and will also empower citizens.
- **Fostering transparency and access to information:** participants highlighted that despite the citizens’ willingness to hold governments and officials accountable, lack of transparency and access to information is a significant barrier to accountability and participation. Information on the roles and obligations of governments and all public service providers should be transparent and accessible to citizens, as well as the existing laws, regulations, procedures and local and national budgets. Accessibility implies easy to understand formulation, the use of local languages and adequate channels that are accessible to the grassroots.
- **Applying citizen participation at every stage of policy making and budget formulation and oversight:** in order to ensure that participation can effectively have positive impact on governance, members of Civil Society Organizations stated that it is crucial to involve citizens in every stage of the process in policy making and in budget formulation and oversight. They

also underlined that participation can actually be a significant leverage in the process of peace and security restoration. Members of the Civil Society Organizations highly commended that mechanisms of citizen oversight and citizen participation be embedded in all World Bank projects in Mali.

- **Developing interactions between governments and citizens:** according to members of the Civil Society Organizations neither officials (elected and non-elected) nor citizens are fully aware of the fact that officials are accountable to citizens and that citizens have rights and obligations. Both parties have a mere idea of the benefits of social accountability, whereas they can actually benefit from it. In the present context of prevailing political instability and insecurity, CSO members proposed that it is timely to foster dialogues between governments and citizens (including individuals, community-based organizations, civil society organizations, the private sector and the news media) through (i) public debates, (ii) forum, and (iii) interface spaces like the Ombudsman's "Espace d'Interpellation Démocratique". In addition to the traditional format, these dialogues can also be moderated by the news media and civil society organizations.

CPF area of focus 2: create economic opportunities

Theme: how to improve agricultural productivity: water management, subsidies and access to irrigated lands.

'As 90 per cent of the poor live in rural areas, it is crucial to create economic opportunities in rural areas if we really aim at reducing poverty in Mali' (Nouradine Zakaria TOURE, President of the 'Coordination Nationale et Régionale des Usagers des Ressources Naturelles du Bassin du Niger', Civil Society Organization)

8. **In regard to how to improve agricultural productivity, participants highly recommended direct supports to farmers instead of going through the central government.** They proposed the following priority interventions: (i) provide support to women, (ii) expand irrigation, (iii) address land issues; (iv) develop mechanization and transformation, (v) strengthen the capacity of farmers, and (vi) develop accompanying measures.

- **Provide support to women:** as women are extensively involved in agricultural activities in order to provide for their households, participants recommended that support be given to them mainly in cash crop development. This could be done either through individuals or through networks of rural women.
- **Expand irrigation:** due to climate change, rainfalls are decreasing every year that water management and irrigation have become crucial.
- **Address land issues:** the majority of farmers have no land and are often overly in debt and those who can afford to have lands are struggling with land titling. On top of that, they do not know the existing laws and are left helpless even though some laws were actually meant to protect them. In view of these problems, representatives of the civil society organizations recommended that addressing land issues should be considered as a high priority.

- **Develop mechanization and transformation:** most farmers are overloaded with debts with very small possibility to reimburse them because they cannot generate sufficient revenues with small land lots and limited resources and skills. In order to help them reverse this situation, there is an urgent need to develop mechanization and transformation which will significantly increase the value-add of their production.
- **Strengthen the capacity of farmers:** all participants stressed that it is high time to improve professionalism in the sector and one of the key steps towards that is to strengthen the capacity of farmers in agricultural techniques in order to improve the quality of produce. This should also be combined with some basic management skills which will allow farmers to make a sound evaluation of their production costs. Mali actually had a success story in this regard in the 60s when technicians provided close technical assistance for rural farmers.
- **Develop accompanying measures:** in addition to the technical support, creating a holding environment is also crucial. This includes i) adjusting rules and regulations to the existing challenges and context, ii) re-organizing the sector, and iii) implementing the different accompanying measures linked to agricultural reforms.

CPF area of focus 3: build resilience

Theme: how to build resilience through building human capital and through social protection.

‘Education is central because it has an impact on all the issues that we have discussed about today. Without the appropriate education, citizens cannot hold officials accountable, cannot develop income-generating activities and cannot expand their agricultural activities. We should also bear in mind the gender issue. We must address gender-based violence because it affects many aspects of our society. For example, early marriage and female genital mutilation increase school drop-outs.’ (Mahamadou ONGOIBA, Coordinator of the ‘Coalition des Organisations de la Société Civile – Education Pour Tous’)

‘Health and education have tremendous impact on human capital and must then be considered as top priorities in terms of quality service delivery’. (Sidiki DEMBELE, President of the ‘Association de Soutien aux Initiatives Communautaires’)

9. **Participants recommended that the World Bank Group should take into consideration the cross-border challenges and the demographic context and should adopt a participative and inter-sectorial approach.** Regarding how to build resilience specifically, they proposed the following priorities: (i) improve basic social services, (ii) improve infrastructure, and (iii) address job issues in the rural areas by developing income-generating activities and small and medium enterprises.

- **Improve basic social services:** members of the civil society organizations argued that health and education have great impact on human capital and play then a major role in reducing poverty. In terms of labor for example, a group of healthy people is a much more productive labor than the unhealthy ones. For the health sector, they especially advocated for the improvement of the quality of service delivery in basic health services and for food security. With regard to education, they especially recommended that the Government should enhance its involvement in developing preschools, reduce multi-grade classes, adjust educational

program to the market needs and develop a mechanism which will increase school retention rates, especially for girls. All that should be done in a participative and inclusive way. They mentioned for example that the Government used to have a particular approach to provide public services to the nomads.

- **Improve infrastructure:** participants emphasized that the quality of infrastructure plays a pivotal role in the three areas of focus of the CPF but is of particular importance for rural areas because it tremendously helps prevent rural exodus.
- **Address job issues in the rural areas by developing income-generating activities and by developing small and medium enterprises:** participants repeated most of their recommendations on ‘how to create economic opportunities’ and they stressed that instead of expanding cash transfers for individuals, the World Bank should adopt a more sustainable approach by developing income-generating activities and supporting the development of small and medium enterprises.

MALI

- SELECTED CITIES AND TOWNS
- ⊙ PROVINCE CAPITALS
- ⊕ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- REGION BOUNDARIES
- - - INTERNATIONAL BOUNDARIES



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