

Agence canadienne de développement international

MALI POLICY FRAMEWORK

2000 - 2010

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Sahel and Côte d'Ivoire Regional Division Africa and the Middle East Branch Canadian International Development Agency



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Canadian firms and NGOs in Mali 50

LETTER OF AGREEMENT CONCERNING THE IMPLEMENTATION OF THE CANADA-MALI COOPERATION POLICY FRAMEWORK 2000-2010

In 1999, Mail and Canada conducted a joint assessment of the Canada-Mail cooperation program since the last bilateral commitations in May 1996. This exercise involved the participation of all partners in the public and private sectors in Mail and Canada. A report emitted *Bilan et Prospectives* [assessment and prospects] was cannined in Canada with the Canadian Intervenous in October 1999 and in Banako with the Mailan partners in November 1999. This assessment served as a basis for the development of this policy framework.

The Canada-Mali cooperation policy framework covers a 10-year period to provide long-term direction, thus allowing support that should promote better essessment of the impact of activities. Programming is largely within the framework of 10-year development programs (education, health, justice) developed by Malian anthorities with the involvement of eivil society and the support of technical and financial partners. Programming aims to support Mali in its major national objective of powerty reduction.

Bilateral consultations were held in Bamako on November 22, 2000. These consultations were chaired by His Excellency Modifio Sidibé, Minister of Poreign Affairs and Mallans Abroad, and by Émile Gauvreau, Vice-President, Africa and the Middle Bast Branch, Canadian International Development Agency. As a result of these consultations, Mallan and Canadian authorities agree to implement the Mall Policy Pranswork 2000-2010 (document enclosed) and to follow its ensjor throats. It is understood, moreover, that this commitment is made with mutual respect for the priorities of the two countries, and in the context of better coordination of international cooperation by Mallan authorities.

This policy framework comes into force and takes effect on the date on which this letter is signed.

Done in duplicate, in Banako, this 22nd day of November 2000.

FOR THE GOVERNMENT OF CANADA POR THE GOVERNMENT OF MALL

famile Gauvreau, Vice-Fresident

Modibo Sidibé, Minister

ACRONYMS AND ABBREVIATIONS

ACODEP	Project to support decentralized communities for
	participatory development
AfDB ADEMA-PASJ	African Development Bank Alliance for democracy in Mali - African party for solidarity
ADEIVIA-PASJ	and justice
AGETIPE	Agency for the execution and management of public works for
AGLIIFL	employment
AIDS	Acquired Immunodeficiency Syndrome
AMEB	Africa and the Middle East Branch
CAN\$	Canadian dollars
CCD	International Convention to Combat Desertification
CECI	Centre canadien d'études et de coopération internationale
CFAF	CFA franc
CFCI	Centre de formation à la coopération interculturelle du Québec
CFLI	Canadian Fund for Local Initiatives
CIDA	Canadian International Development Agency
CILSS	Permanent inter-state committee on drought control in the
01200	Sahel
CISO	Centre international de solidarité ouvrière
CMDT	Mali textile development company
CODE	Canadian Organization for Development through Education
CSI-Sherbrooke	Carrefour de solidarité internationale
CTSP	Transitional committee for public safety
DAC	Development Assistance Committee
DID	Développement international Desjardins
ECOWAS	Economic Community of West African States
ENAP	École nationale d'administration publique
EU	European Union
LU	
FCD	Common Development Fund
FCM	Federation of Canadian Municipalities
	·
GAD	Gender and Development
GDP	Gross Domestic Product
GNP	Gross National Product
HDI	Human Dovelonment Index
HIPC	Human Development Index Heavily Indebted Poor Countries
HPI	
	Human Poverty Index
	Human Poverty Index

MEPI MOPOD MPFEF	Ministry of the Economy, Planning and Integration* Community mobilization and decentralization project Ministry for the Promotion of Women, Children and the Family
NGO	Non-governmental organization
OAU ODA ODHDLP OECD OMVS	Organization of African Unity Official development assistance Sustainable human development and poverty reduction monitoring group Organization for Economic Cooperation and Development Senegal River development organization
PACCEM PAIB PAMORI PAN PANAFTEL PNAE PRMC PRODEC PRODEC PRODEJ PRODESS PRSCS PRSP PSU	Mali grain marketing support project Basic initiatives support project Projet d'appui à la mobilisation des recettes intérieures National action plan Pan-African telecommunications program National environmental action plan Grain market restructuring program Ten-year education development program Ten-year justice development program Ten-year health and social development program Sahel civil-society building program Poverty reduction strategy paper Program Support Unit
RCFM	Régie de chemin de fer du Mali
RESA	Environmental rehabilitation and food security project
SAP	Structural Adjustment Program
SNLP	National poverty reduction strategy
STD	Sexually transmitted disease
SUCO	Solidarité Union Coopération
UA	Unit of account
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNIDIR	United Nations Institute for Disarmament Research
UNFPA	United Nations Population Fund
US\$	U.S. dollars
WAEMU	West African Economic and Monetary Union
WID/GE	Women in development/gender equality

INTRODUCTION

The objective of this Mali policy framework is to provide a consistent response to the cooperation needs expressed by Mali, and to articulate this response on the basis of the directions defined by the Government of Canada in its Foreign Policy Statement. It also reflects the commitments made by both countries on the various aspects of their cooperation. It constitutes a useful reference document for managers and can be used to inform members of the public about Canada's various development investments in Mali.

This document is the result of more than a year of extensive consultation with all partners in both Mali and Canada who are interested in the Mali-Canada cooperation program. *Annex A* lists the key documents that were also consulted.

This policy framework covers a 10year period to provide long-term direction, thus allowing support that should promote better assessment of the impact of activities. In broad terms, programming conforms to the framework of 10-year development programs (education, health and justice) developed by Malian authorities with the involvement of civil society and the support of technical and financial partners. (See *Annex B*, which describes the macro-economic, structural and sectoral policies on which Canadian activities are based.)

Authorities in Mali and Canada are committed to developing and implementing a program- monitoring framework that will require an annual retreat and a mid-term review around 2005. This monitoring framework will be facilitated by the identification of performance indicators consistent with those already established in the PRSP [poverty reduction strategy paper] to define concrete achievements more clearly. Results achieved will be published annually, in response to a recommendation made during the joint policy exercise, and this will have the merit of promoting discussion of policy, strengthening the partnership approach adopted, and ensuring better coordination of our efforts with those of all other stakeholders.

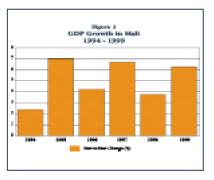
DEVELOPMENT CONTEXT

Economic Development

In the early 1980s, Mali was shaken by serious economic and financial imbalances that led to a decline in growth, accompained by an increase in the government's budget deficit and international balance of payments. In 1982, aware of the extent of these problems and the urgent need to resolve them, authorities in Mali decided to implement a series of reforms to revitalize the economy and deal with its chronic budget, balance of payments and growth problems. These programs resulted in the adoption of strong measures to revitalize the economy, including trade and price liberalization, a simplified regulatory framework for economic activities. tax reform, and reform of government corporations.

These programs yielded encouraging results but did not improve competitiveness and economic growth significantly (see the statistics in *Annex C*). In 1988, faced with the inadequate results of its structural adjustment efforts, and in an effort to stimulate sustainable growth as well as ensure the financial and external viability of its economy, Mali decided to make structural reform a priority. One result of this decision was the 1994 devaluation of Mali's currency, the CFA franc (CFAF), from 50:1 to 100:1 against the French franc. The devaluation offered an excellent opportunity to jump-start the Malian economy, whose growth (+ 3.2% from 1985 to 1993) has not been strong enough to produce a substantial improvement in the people's standard of living. The Gross Domestic Product (GDP) has risen significantly in real terms since 1994 (see *Figure 1*), and the economy has grown faster than the population growth (2.2%) since 1995. Revenues improved significantly between 1994 and 1998, reducing the deficit from 13.7% to 8%.

Mali's outstanding external debt has risen substantially since the devaluation. In 1998, Mali was declared eligible for the Heavily Indebted Poor Countries (HIPC)



¹ Source: ODHDLP [sustainable human development and poverty reduction monitoring group]. (1999). Croissance, équité et pauvreté, Rapport national sur le développement humain durable [Growth, equity and poverty, National report on sustainable human development]. Bamako

Initiative. On September 7, 2000, the boards of governors of the International Monetary Fund (IMF) and the World Bank signaled their approval of the Government of Mali's economic and financial program for the year 2000, which granted Mali access to debt relief under this initiative.

The resources available under this relief, with a net current value of US\$523 million or about CFAF 345 billion over 30 years, will fund poverty reduction activities. This decision does not, however, grant Mali new resources. But it provides significant budgetary relief and also enhances the country's credibility with the international community.

Mali's structural adjustments have yielded significant improvements in the country's key economic and financial indicators: for example, controlling current government expenditures has had a salutary effect on the current account deficit. Many government corporations have been sold or privatized. Downsizing and a salary reduction in the public service have produced a better balance in tax revenues allocated for salaries. A large share of the resources thus freed have been invested in infrastructure, agriculture and social sectors. Under the last heading, these measures have not been enough to stem the decline in current government and public capital expenditure on education and health. Mali still suffers from a negative trade balance, and exports

continue to feature three products: cotton, gold and live animals.

The macro-economic policies of the reform programs have obviously succeeded. They have enabled the private sector and market forces to play a larger role in the economy by eliminating major distortions and obstacles to private-sector development. Despite this improvement, the Mali private sector continues to face serious constraints that limit its potential as an engine of growth. These include:

- the weakness of financial intermediation mechanisms, due to the tiered nature of Mali's financial system, lack of serious competition in this sector, and scarcity of medium- or long-term financing options;
- the continuing large role of the public sector in the economy;
- a lack of basic infrastructure;
- the high cost of production, especially energy and transportation;
- the smallness of the domestic market;
- the inability of local business to compete on regional or international markets;
- the lack of qualified human resources and the weakness of entrepreneurship; and

 the still limited incentives offered by the institutional and legal environment. zones" where the economic activities of these communities are conducted in the same region.

Population and poverty

Ethnic and cultural riches²

Mali has a complex and varied ethnic population, most commonly classified on the basis of economic activity.



Photo: Georges Leclerc / Tombouctou

Animal breeders (Tuaregs, Arabs, Peuls) are generally found on the fringes of the desert or in the Sahel region of northern Mali, while the central and southern parts of the country are home to farmers.

Fishermen live along rivers, mainly the Niger, the Senegal and their tributaries. There are many "contact



Photo: Georges Leclerc / Touaregs, Kidal

A largely poor population ³

To the individuals concerned, poverty consists of "deficiencies" they must make up to have an acceptable standard of living. It is thus defined as the failure to satisfy needs deemed essential to a decent life (food, health, clothing, shelter, education, employment and productive capital).

The 1997 census tallied the population of Mali at 10 million, with a high average annual growth rate of + 2.2%. Almost half the people are

² The peoples of Mali have generally played a key role in the history of West Africa. They created prosperous societies long before the colonial period. These included the kindgoms of Ségou (Bambara), Kaarta (Massassi), Kénédougou (Sénoufo) and Macina (Peul), and the empires of Ghana, Mali, Songhoï (Gao) and Elhadj Omar Tall (Toucouleur). Many cities, like Timbuktu, Djenné, Gao and Ségou were major centres of technological development (weaving, metal work, architecture, etc.) and cultural development (universities, research centres, development of oral literature and Islamic studies, growth of the arts and culture). Since Mali became independent in 1960, successive governments have cut across ethnic lines to develop a truly national consciousness in which all citizens can have a part. This is probably why Mali is one of the few countries of sub-Saharan Africa to avoid the problem of tribalism.

³ Sources: ODHDLP. (1999). Croissance, équité et pauvreté, Rapport national sur le développement humain durable. Barnako; and UNDP. (1999, 2000). Human Development Report. NY.

children under 15.

Mali is one of the world's poorest countries. In 1998, its annual income per capita was US\$250, as



Photo : Georges Leclerc / pays Dogon

compared to US\$522 for sub-Saharan Africa as a whole. The poverty index in the June 2000 Human Development Report published by the United Nations Development Program (UNDP) placed Mali 165th out of 174 countries, six places higher than in 1998.

While Mali may rank among the poorest, there are no reliable ways to measure its remarkably vigorous informal sector. In addition, farmers hoard a large share of their income. We may therefore legitimately wonder whether the Human Development Report ranking tells the whole story. The inclusion of these data might well give a clearer picture of Mali's economy and highlight its significant progress in poverty reduction. This is certainly an issue for the country's sustainable human development and poverty reduction monitoring

group (ODHDLP).

Poverty reduction is still the most important challenge for Mali today. The numbers below eloquently and clearly show that economic growth alone cannot reduce poverty: it must go hand in hand with social investment if it is to redistribute wealth. The ODHDLP has found that Mali's overall poverty rose 13% from 1994 to 1996, then fell 1.8% a year from 1996 to 1998. Fully 68.8, 71.6 and 69% of Mali's people lived below the poverty line in 1994, 1996 and 1998 respectively. Poverty rose 1.8% in rural areas and 5.3% in urban areas between 1994 and 1996. Thus the vast majority of the people remain poor despite a slight improvement in the past two years. Poverty in the rural area is worse than in the urban, with a Human Poverty Index (HPI) of 76% and 36.3%.

Women carry a heavy burden

Whether urban or rural, poverty in Mali is worse for women, a very vulnerable group. Young girls in Mali, 94% of whom suffer genital mutilation, are often denied access to education and are expected to help their mothers with chores vital to their family's survival (fetching firewood and water). Young women marry early⁴, and childbirth kills one out of every 10 Malian women. They also suffer from dietary deficiencies (especially of iodine) that can seriously compromise their

⁴ In Mali, the median age at which girls marry is 15.7.

health as well as their children's. If a young woman leaves her village, it is to find a job in the city as a domestic worker for a family not much better off than her own. Adult women in Mali spend most of their lives bearing and rearing children. Rural women have an average fertility rate of 7.3 children, and barely 5% of them use any contraception. Women are also increasingly threatened by sexually transmitted diseases (STDs) and AIDS, which has spread guickly,



Photo: Georges Leclerc / Market, Gao

affecting 3% of the population. Besides having to deal with problems related to reproduction, women in Mali are expected to contribute to household income (market gardening and small animal husbandry), do household chores (cooking and raising children) and carry on business at local markets (sale and supply of goods). Rural migration of the male work force to cities in Mali or abroad means that women often find themselves alone in their villages as heads of their households.

Women in Mali are nevertheless increasingly active in the country's economic and social life, and gradually taking a larger part in the democratic and institutional process. Seven of 22 government ministers, 18 of 143 deputies, and three of 22 chiefs of staff are women. Since 1991, major changes in Mali have improved the status of women significantly. Newly-established women's associations have spoken out with maturity and courage. Discussion of sensitive issues, and gender issues in particular, has become a part of public discourse. Yet a long and difficult road lies ahead, particularly for rural women who still make up the silent majority. In 1996, there was another step forward: an action plan for the promotion of women was adopted with the cooperation of government ministries and local organizations. Then in 1997, the Government of Mali demonstrated its support for the implementation of this plan by creating the Ministry for the Promotion of Women,



Photo: USC Canada

Children and the Family (MPFEF). Democracy and good governance

Growing experience in democratic development

There have been three republican regimes since Mali gained its independence. The first, led by then-president Modibo Keita and inspired by the ideals of anticolonialism and African socialism that characterized the leaders of the day, was established in 1960. His government was overthrown in 1968 by a junta led by Lieutenant Moussa Traoré, who established an emergency military regime from 1968 to 1978 and then founded the second republic in 1979. Moussa Traoré was himself turned out of office in March 1991 by a popular uprising, which was followed by a coup d'état led by Lieutenant-Colonel Amadou Toumani Touré. In April 1991, the Comité de transition pour le salut du peuple (CTSP) [transitional committee for public safety] established a full multiparty system in Mali and extended basic freedoms. In 1992, the CTSP organized a constitutional referendum to enshrine the Third Republic, and held municipal, legislative and presidential elections that established Mali as a democracy. This vote installed the first democratically elected president of Mali, Alpha Oumar Konaré, who is still its leader.

Mali's developing democracy has achieved a great deal: freedom of opinion and expression, freedom of information, greater respect for human rights, strengthening of civil society so that it can hold the government accountable, and greater transparency in the management of public funds. On the other hand, the Third Republic has had its share of turmoil, especially during the 1997 presidential and legislative elections, which gave President Konaré a second five-year term as President⁵ and the Alliance pour la démocratie au Mali -Parti Africain pour la Solidarité et la Justice (ADEMA-PASJ) [alliance for democracy in Mali - African party for solidarity and justice] a large majority in the National Assembly. The next general election will be held in 2002. The 1997 difficulties appear to have strengthened the Mali government's resolve to make sure that the ballot is fair and above board. It also knows it must continue to work diligently toward the goal of establishing a truly democratic power structure.

Toward a society founded on the rule of law

Mali is making the difficult and delicate transition from a traditional, tiered society to one where all citizens share the same rights

⁵ Note that under Mali's constitution the President may seek only two terms. President Konaré's second term is thus his last.

and responsibilities. This transformation requires basic changes in governance, administrative structures and the relationship between government and the governed. Despite current difficulties, Mali is firmly committed to pursuing equitable development, reforming its legal and judicial system, and strengthening its social and health sectors. Judicial reform is a major and urgent concern at all levels. There is clear political will in Mali, and its people as a whole are not only ready for a sweeping change, but demanding it.

Development Challenges and Policies

National Poverty Reduction Strategy

The Government of Mali has developed a national poverty reduction strategy (SNLP) to deal with the poverty problem. Its objective is to raise Mali's Human Development Index (HDI) from 0.380 in 2000 to 0.500 in 2002 (see *Box 1*).

The SNLP has been set up as a cross-sectoral strategy, because poverty affects several sectors to some degree. It is not a super-program that brings all other measures together under its umbrella, but a framework that requires programs in all sectors to focus on the key objective of

poverty reduction. The SNLP is the result of a participatory approach. It allows a better understanding of the various dimensions of poverty and proposes innovative action to address its root causes. At the same time, it builds on the abilities of the poor and helps them deal with the problem themselves. It also offers technical and financial partners a consultation framework designed to improve the delivery of poverty reduction initiatives. To this end, officials in Canada and Mali have held preliminary consultations and agreed to make the SNLP, now complemented by a poverty reduction strategy paper (PRSP), the key reference document in developing this policy framework.

Basic human needs 6

Improving the capacities of Mali's people is one of the key short-term challenges for the government. Despite recent progress, most of Mali's social development indicators show serious weaknesses, especially in health and primary education.

To bridge the existing gap in primary education, Mali has designed a 10-year education development program (PRODEC) whose main objective is to increase the gross primary enrolment ratio from 42% to 75% in 2007-2008⁷. To do this, Mali must increase the number of places available and give priority to

⁶ Sources: World Bank. (1995, 1996). *Mali Cooperation Program*. Washington; ODHDLP. *Idem*.

⁷ This target is set by PRODEC. To ensure that no one is excluded, however, the World Bank would like to raise this objective to 95%.

Box 1 **SNLP** intervention sectors The eight major SNLP intervention sectors are as follows (also see Annex D): • Improving the economic, political, legal, social and cultural environment. Promoting revenue-generating activities, especially self-employment. Improving access to financial services financiers and other production factors. Promoting the development and improvement of the performance of agri-food sectors where most of the poor work. Improving access to education and training. Promoting access to basic health, nutrition, water and sanitation. Improving housing conditions. Making sure that the SNLP is coordinated effectively. The Government of Mali has decided to develop and implement a medium-term poverty reduction strategy paper (PRSP), based on the SNLP intervention sectors and program priorities. The PRSP is designed to build a macro-economic and institutional environment that encourages growth and a more competitive economy. As well, it is to create conditions that allow people to achieve and enjoy the results of this growth effectively, while focusing on improving their income and their access to essential basic social services.

rural areas and the education of girls. To absorb an expected annual influx of some 286,000 new primary enrolments in each of the next 10 years, the country needs to rehabilitate 2,000 classrooms and build an average of 2,116 new classrooms annually over that period. Mali must also recruit 2,500 new teachers a year for the next five years. Moreover, to ensure the qualitative development of the educational sector, to which it allocates about 25% of its national budget, Mali intends to establish an in-house teacher education program and produce all the necessary training materials.

Mali's health, nutrition and population indicators, among the lowest in the world, reveal the extreme

inadequacy of the nation's health system. The Government of Mali has developed a 10-year public



Photo: Ivan Ménard / Primary School, Bentia

health and social development program (PRODESS) whose primary objective is to give all citizens access to basic health services within 15 kilometres or less of their home. These services are designed chiefly to reduce morbidity and mortality related to the main endemic and epidemic diseases, reduce reproductive health problems and prevent the spread of new diseases. The achievement of these objectives is closely related to better diet and universal access to water and sanitation facilities.

Economic growth

Economic growth in Mali is limited by factors like climate, geography, the country's weak competitiveness in Africa and abroad, and poor human resources development. Despite these constraints, its economic situation has improved since the advent of democracy in 1991.

While Mali must continue to invest heavily in the training and develop-

ment of its people on a short-term basis, it must also ensure that future generations can find productive work when they enter the labour market. To that end, the opening up of the Economic Community of West African States (ECOWAS) market offers attractive opportunities. Mali's main challenge is to facilitate access to credit and maintain a judicial and legal framework that is both strong and conducive to business development, so that it can support productive initiatives through adequate professional and technical training. In the short term, the vast majority of Malians will continue to earn their livelihood in farming. In the medium and long term, however, economic diversification will remain a primary objective.

The environment and desertification

Just 28% of Mali's land is arable, and only 30% of that total is under cultivation. Moreover, this resource remains unstable and under threat of desertification. Most of Mali gets less than 600 millilitres of rain annually: as a result, soil loss due to wind and water erosion remains significant. The country thus faces a growing environmental degradation problem while challenged by its population's increasing need for food. In 1994, Mali instituted the PNAE [national environmental action plan]. It now includes the PAN [national action plan], which stems from the CCD [International Convention to Combat Deserti-

fication] adopted after the Rio Summit of 1995. This PNAE is also part of the SNLP. It promotes the participation of grassroots organizations in the search for appropriate solutions.



Photo: Georges Leclerc / Tombouctou

Human rights, justice and equity

This first SNLP intervention sector aims at the restoration of the people's confidence in their national institutions. Various strategies are being developed to help bring together citizens and government and to ensure a more equitable distribution of national resources. as well as more citizen participation in the management of public affairs. This sector covers efforts to raise democratic awareness, establish institutions that foster democracy (for example, an electoral supervision process that voters can trust), improve public information and strengthen the judiciary. Recently, Canada assisted the Government of Mali in developing a 10-year justice development program (PRODEJ) which will strengthen the rule of law in Mali,

ensure judicial independence, improve the efficiency of the legal system and facilitate access to the courts for as many citizens as possible. Central to this reform are measures against corruption and financial fraud which should help reassure investors while stimulating private-sector participation in the growth of the economy. Mali knows that it must make progress in this area if it is to achieve sustainable social and economic development.

Decentralization of authority

Mali recognizes that if it is to bring citizens and government together, it must develop local government through which its people can take part more actively in the search for solutions to improve their lot. Noteworthy initiatives to date include the creation of the AGETIPE [agency for the execution and management of public works for employment], ACODEP [project to support decentralized communities for participatory development] and PAIB [basic initiatives support project]. The Government of Mali's decentralization policy has created 701 districts throughout the country, with 682 in rural areas. Elections have been held in each district. Citizens chose their own representatives, and local councils were established democratically. Although highly laudable, this new project has to be consolidated, notably through the transfer of material, financial and human resources to local communities, as well as building up local capacity to

deliver quality services to citizens. SNLP efficiency is closely linked to the strengthening of mechanisms for local service delivery. Mali has thus begun to implement radical change both in the management of government programs and in the various forms of cooperation supporting them.



Photo: CIDA

Mali and International Cooperation

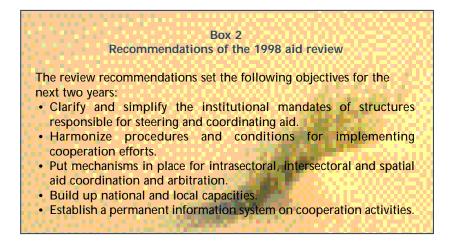
International community support: Reviewing and reforming the aid system

Openness to democracy and the effective performance of the Structural Adjustment Program (SAP) have enabled Mali to establish its credibility with the international community. As a result, international aid to Mali rose 25% between 1992 and 1996. Bilateral aid comprises about 60% of Mali's total official development assistance (ODA) envelope of about US\$500 million annually. As shown in Annex E_i the leading bilateral donors are France, which contributes one-third of the total, Germany, Japan, the Netherlands and the United States, with Canada in sixth place. The leading multilateral donors are the World Bank, the European Union, UNDP, the African Development Bank (AfDB), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA).

In 1996, in cooperation with the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), Mali launched an aid review to seek consensus on the cooperation effort and begin a reform process that would enable national mechanisms to offer effective, coordinated support (see Box 2). This exercise showed that Mali was heavily dependent on development assistance: donor funding represents 85 to 90% of the government's capital budget and 25 to 30% of its operating budget.

Regional integration

Ever since its independence, Mali has been an enthusiastic supporter of African unity. It is a founding member of the Organization of African Unity (OAU). At the Lomé summit of OAU heads of state on July 12, 2000, Mali strongly supported the adoption of the Constitutive Act of the African Union to replace the OAU charter and was the first African state to ratify the Act on August 11, 2000. Mali has been an architect of regional economic integration and a participant in almost all of the regional and sub-regional bodies



that promote African integration, including the franc area, the Lomé Convention IV, the permanent inter-state committee on drought control in the Sahel (CILSS), the West African Economic and Monetary Union (WAEMU), the Economic Community of West African States (ECOWAS) and the Senegal River



Photo: André Cliche / hydro-electric dam, Manantali

development organization (OMVS). Mali has chaired the WAEMU and ECOWAS since 1999. It is particularly in favour of the rapid establishment of a West African free trade area; the development of a single currency for all West African states by 2004; the adoption of a West African passport; and the free flow of people and goods as well as the implementation of common infrastructures and harmonized investment codes throughout the sub-region.

CANADA AND MALI

Relations between Canada and Mali

La Francophonie and the promotion of peace

Canada and Mali have always had a productive and mutually beneficial relationship based on trust, honouring commitments and solidarity. They were architects of the Réseau de la Francophonie [Francophonie network] who also ensured that national identities received support and respect.



Photo Rideau Hall: Sgt. Christian Coulombe / The Governor General and the President of Mali meet villagers, Kabé, February 1999

Both countries share foreign policy ideals to promote the cause of global peace and security. In concrete terms, both are committed to promote the Convention on the Prohibition of Anti-Personnel Mines and better control of small arms, a source of many conflicts worldwide. In response to an appeal from Mali and in cooperation with the international community, Canada has helped find a peaceful solution to the problem in northern Mali, where efficient conflict resolution programs are being implemented.

Trade and investment

Annual trade between Canada and Mali is quite modest. Over the past five years, Canadian exports to this country have averaged \$10 million per year. The trade balance has tilted somewhat in Canada's favour since 1997 because of an increase in Malian imports of Canadian electrical equipment and textiles. (see *Annex F*)

To date, Canadian private investment has been concentrated primarily in the mining sector, with little or no support from bilateral cooperation, and without significant support from the Industrial Cooperation Program of the Canadian International Development Agency (CIDA). On the other hand, Canadian non-governmental organizations (NGOs), which receive bilateral or multilateral funding (or both), have long been active in Mali. They demonstrate their support to local communities while delivering development initiatives that are responsive to their needs.

Canadian Cooperation in Mali: results and lessons learned

Canada in Mali: Three decades of cooperation

Canada's bilateral cooperation program with Mali has existed since 1972. During the first decade (the 1970s), a serious drought in the Sahel inevitably affected the choice of priorities: food aid, vegetation cover and area development. The second decade (the 1980s) saw Mali adopt SAPs [structural adjustment programs], which in turn influenced the nature of priorities: micro-projects and raising agricultural production. The third decade, which is now nearing its end (the 1990s), has been a time of socio-political upheaval driven by the people's desire for freedom, justice and democracy. Again, these movements have affected the current program, which emphasizes basic human needs and good governance.

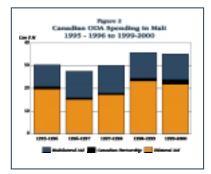
Over the past three decades, sustained action by Canada and the international community in the area of food security for Mali has been the most successful. This is because the PRMC [grain market restructuring program] initiative has established an efficient and sustainable grain reserve management system in Mali and contributed to the security of its food supply for some years now. Infrastructure projects have also contributed to the country's development, especially in energy supply (the Manantali Dam), railway transport (RCFM) and telecommunications (PANAFTEL).

While they were not a complete departure from earlier discussions, the latest bilateral consultations between Canada and Mali, in April 1996, signalled a shift toward the social dimensions of development. They defined three target areas: economic growth, social development and good governance. The parties also agreed to make women in development/gender equality (WID/GE) and environmental policies cross-sectoral themes. They assigned the environment to the regional program and Canadian NGOs in order to encourage a common approach for the countries of the Sahel.

Current program assessment: Positive results

Since 1995, Canada has sent Mali an annual average of about CAN\$30 million in assistance (see *Figure 2*). A rough breakdown comprises the bilateral program (including the Regional and Pan-African Divisions), \$16 million; the multilateral program, \$12 million; NGOs and Industrial Cooperation, \$2 million. Assistance to Mali currently represents 1% of total Canadian ODA. In 1999, CIDA carried out an assessment of bilateral cooperation between

Canada and Mali, with the cooperation of the local partners. Its findings were positive and highly satisfactory.



Economic growth

Most bilateral program funding is to support economic growth. For example, credit union projects have established a network of credit unions (Nyèsigiso) whose assets now total more than CFAF 5 billion. The Community Infrastructure Fund project continues, with the participation of AGETIPE as the local executing agency. It has created 32,000 person-days of employment to date and developed the private sector by establishing consulting, construction and other firms. It has also developed a support and training initiative intended to implement a delegated management approach to community infrastructures. The customs revenue enhancement project has exceeded its objectives, helping triple revenues over a two-year period. The grain marketing support project has handled more than 1,500

tonnes in the first year, well above initial forecasts. By working through Canadian and Malian NGOs like SUCO, with its community mobilization and decentralization project in Mali (MOPOD) and USC Canada, with its environmental rehabilitation and food security project (RESA), Canadian cooperation has supported innovative experiments in grassroots governance and citizen participation in local economic development. There is also a line of credit that stimulates



Photo: Georges Leclerc / Craft Center, Tombouctou

trade with Canada while contributing to the Common Development Fund (FCD). The main weakness in all of these diverse economic development initiatives is a lack of coordination among them.

Social development

Commitments to this sector have increased in recent years and now represent a large share of the bilateral envelope. Efforts have focused mainly on supporting Mali in implementing the PRODEC, especially through planning support for the educational improvement program and provision of

emergency needs (like educational materials and equipment). A project to manage community schools is also being implemented with the participation of the Paul Gérin-Lajoie Foundation.

Aside from education, the program has a reduced focus on basic human needs. At the same time, a water supply project was implemented successfully at Goundam and Niafunké, and consultants delivered strategic planning



Photo Agetipe: Bas-Fonds Market, Mopti

services to the Mali Ministry of Health. An urban housing support project in the Bamako area is still in its early stages. In social development, the effective coordination of educational activities with the national policies of Mali has been a significant success, although the lack of an overall social development strategy has been a weakness. However, use of the FCD, which supports local initia-tives that facilitate the achievement of objectives in key sectors, has been expanding. This is seen as a step forward.

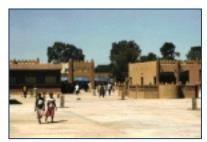


Photo : Georges Leclerc / Ottawa Market, Mopti

Democratic development and good governance

Canadian cooperation in this sector began in 1991. In both the 1992 and 1996 elections, projects under this program supported measures to raise the people's democratic awareness, bring about the democratic awakening of civil society, train local elected representatives and strengthen media regulatory agencies. Canada also supported the Government of Mali's efforts to develop the PRODEJ and made a commitment to promote peace and security in northern Mali in cooperation with other technical and financial partners.



Photo: Ivan Ménard / Tribunal, Bandiagara

Apart from highlighting the scope and complexity of the democratic development and good governance sector, a review of these experiments showed that it was essential to harmonize and coordinate the various activities to achieve results. In this sector, it is important to have a strategic vision and to maintain a pragmatic approach, while working closely with the other donors.

Equality and participation of women

In 1998, the Canada-Mali cooperation program adopted a WID/GE strategy whose aims (see **Box 3**) will be achieved through current and future projects. To support its implementation, the GAD [Gender and Development] Fund was also created. All projects are expected to help achieve the first two objectives of the WID/GE strategy, while also supporting its overall implementation. Achievements to date have been mixed. Many projects (such as those for credit unions) have already had a significant effect



Photo: Georges Leclerc

on women's income. It is still too early to measure results in terms of institution building. An assessment of experience to date shows that greater efforts are clearly needed to achieve significant results, given the extent of the social and economic gap between women and men in Mali.

Box 3 Objectives of the Mali WID/GE strategy

- To promote equitable participation for women in economic growth and allow them access to its benefits.
- To build up the capabilities of women and girls through basic education.
- To build up the professional and technical capacities of government and civil-society agencies that support the advancement of women.

Lessons of recent years

The various partners have learned a great deal from cooperation between Canada and Mali (see *Box 4*). They agree that the program has yielded highly satisfactory results, is effectively managed and clearly reflects expressed needs. They are unanimous in their determination to continue working along present lines, and to target program resources even more effectively.

Box 4 Important lessons of recent Canadian cooperation in Mali Increase support for grassroots activitiy; phase out support for central mechanisms. Bank on building up the capability of local partners to deliver services to communities; improve their involvement in project management (including the planning stage). Strengthen synergy among projects in the various intervention sectors. Develop clear strategies for action in chosen sectors and define expected results clearly. Take care to develop the program in concert with Mali's national policies; improve monitoring and dissemination of results to partners in Mali. Promote pooling of Canadian cooperation resources to encourage the achievement of objectives in the various target areas; at the same time, foster coordination with other donors. Improve program delivery by maximizing the use of local resources, and by promoting training of managers in the principles of resultsbased management as well as the need for communication among projects. Recognize that the Program Support Unit (PSU) offers the Canada-Mali cooperation program significant technical and administrative support.

Encourage the program approach.

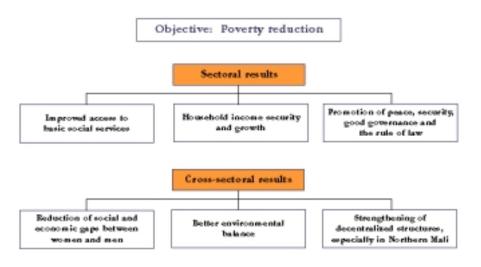
CANADIAN COOPERATION PROGRAM IN MALI

The priorities of the cooperation program are based on the priorities of Canada and Mali. The SNLP, now complemented by the PRSP, constitutes the primary framework for the program.

Objectives and results of the program

For 2000-2010, the objective of the Canada-Mali cooperation program is to make an effective contribution to poverty reduction in Mali. It is expected to achieve three sectoral results: improved access to basic social services, greater security and growth in household incomes, and the promotion of peace and security, good governance and the rule of law. Three cross-sectoral results are also defined: a reduction in social and economic gaps between women and men, a better environmental balance, and the strengthening of decentralized structures, especially in northern Mali. Program components are summarized in *Figure 3*.

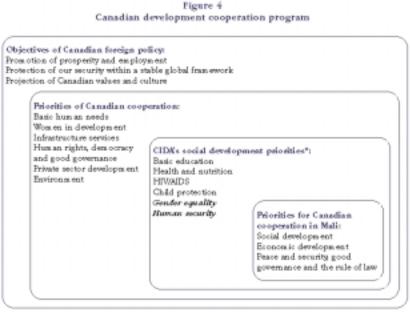
Figure 3 Summary of program components



Bilateral Program: Intervention sectors

Figure 4 outlines the parameters of CIDA policy in the context of the Canada-Mali cooperation program.

Canada-Mali program also encourages synergy and the establishment of closer ties in its support for these two sectors, which will receive more than two-thirds of available resources.



 This action plan, laurabad in Reptanber 2000, is designed to strangthan CEER programming where the meets are most sugent and its efforts most likely to bring about real change.

The expected results described in the pages below use the terminology that Mali uses in the SNLP.

Social development

Expected result: *Better access to basic social services*

The SNLP has two major basic human need priorities: improving access to education and promoting access to basic health care. The

Primary education

The SNLP sets out various priority measures to achieve the established objective of ensuring that all children in Mali are able to attend primary school by 2015. These measures include building primary schools in poor areas, improving teacher qualifications and working conditions, and involving the community in managing primary education.

The objectives established in the primary education plan are reflected in the PRODEC, which also addresses Mali's other educational needs (secondary education, technical training, etc.).



CIDA Photo

The specific objective of Canada's contribution to the education sector will be to support SNLP priorities through the PRODEC implementation strategy. This convergence is being achieved by integrating all projects from the period before the PRODEC, whose design and planning were partly funded by Canadian cooperation. The plan for the next phase of Canadian cooperation is to continue support for the implementation of the PRODEC for the benefit of the poor.

In this sector, current activities involve preparation of teaching and training materials, support for the PRODEC management unit, and establishing a model for participatory management of primary schools in the Kayes region. Some activities will be completed in the next five years and can be consolidated or replaced in the second half of the decade covered by this policy framework. In line with SNLP and PRODEC primary education objectives, Canadian cooperation will focus its resources on the following areas, in order:

- upgrading teacher qualifications;
- involving local communities in the management of their schools; and
- improving access to primary education.

The FCD can also help develop school infrastructure. The Canadian Fund for Local Initiatives (CFLI) can support grassroots initiatives consistent with these objectives.



CIDA Photo

Basic health care 8

The key health care objectives set out in the SNLP are to establish an essential drug policy, build wellequipped community health centres, improve the health of women and children, and strengthen programs to fight endemic diseases. As with the PRODEC, all national efforts in the health sector involving technical and financial partners are coordinated under the PRODESS.

To date, Canada's contribution to this sector has included projects to support strategic planning at the Ministry of Health, regional monitoring of epidemics, and the pan-African AIDS project, which in turn has made a very strong contribution in its current phase. The pan-



Photo : Lysiane Boisvert / Health Centre, Kayes

African AIDS project will continue its work in the region, including Mali, in cooperation with national programs and a number of Canadian organizations working in the sector. After preliminary consultations with partners in Mali, the Canadian cooperation effort has made basic health care its second priority under the heading of access to basic social services. The objective here will be similar to the one in education: to support Mali's comprehensive sectoral development framework in accordance with SNLP objectives and the PRODESS. Because women and young children are a particularly vulnerable group, the Canada-Mali cooperation effort, working closely with other technical and financial partners, will focus on reproductive health (safe pregnancies, family planning, prevention and treatment of STDs). The FCD and CFLI may also support basic initiatives in this area.

The new program does not provide for any direct initiative on community access to drinking water. However, this remains a key government priority and an integral part of sectoral education and health programs. (For example, each school and every health centre will be expected to have its own well and toilet.) The program will thus indirectly continue to facilitate access to water.

Economic development

Expected result: *The security and growth of household incomes*

Improving economic conditions at the grassroots remains a necessary condition for poverty reduction. It

⁸ See also section "Development challenges and policies" p. 9.

is wishful thinking to promote better living conditions without increasing wealth in local communities. The SNLP clearly recognizes the importance of income growth, to which it devotes three of its eight intervention sectors:



Photo: SUCO / Villagers' meeting

- promoting revenue-generating activities, especially self-employment;
- improving access to financial services and other production factors; and
- promoting the development and improvement of performance in agri-food sectors where most of the poor work.

The security and growth of household incomes have always been key elements of the Canadian bilateral cooperation program. In Mali, it has focused on two niches in particular: access to grassroots financial services (the Nyèsigiso project) and the promotion of revenue-generating activities by local communities (MOPOD). The Nyèsigiso cooperative network offers credit union services through diversified products ranging from educational savings for women to micro-business credit. The coming years will see the consolidation and expansion of this decentralized financial system, one of Mali's largest microfinance networks.

The SNLP offers the poor a way to get beyond the subsistence economy in order to reap certain economic benefits while protecting their renewable resources. Programming here seeks to build on revenuegenerating activities with good potential and to support recognized achievers whose prospects for continued success are assured. Accordingly, Canada-Mali cooperation will maintain its support for the Mali grain marketing support project (PACCEM), in synergy with the Nyèsigiso credit union network, as well as projects that offer strong support for development at the grassroots. These activities are part of the Government of Mali's decen-



Photo: DID / Credit union, Nyèsigiso

tralization policy because they promote the security and growth of household incomes and respond to expressed needs for more grassroots governance. However, they should also

- have the capacity to produce and measure activity outcomes at the household level;
- select intervention sectors that help the poorest;
- develop sustainable local strategies that can lead to income security; and
- develop new jobs, especially for youth and women.



Photo: DID

Authorities in Mali and Canada may consult with each other on the maintenance of the line of credit, which promotes commercial activity between the public and private sectors in Mali and Canada. The FCD, which is generated by these commercial activities, may also help support grassroots development activities, especially in the social sector.

Peace and security, good governance and the rule of law

Expected result: *Promotion of peace and security, good governance and the rule of law*

The first intervention sector of the SNLP is the improvement of the economic, political, legal, social and cultural environment in Mali through better management of the national budget, restoration of the people's confidence in their institutions, and strengthening of local communities. These concerns reflect a comment in the Canadian cooperation review: to be effective, investment needs a stable political environment, as well as a legal and judicial framework under which basic rights are respected.

Peace and security

Canada has supported the efforts of the Government of Mali to restore peace in northern Mali and prevent new conflicts in this poor region since the early 1990s. This will continue to be a CIDA priority in its next program. Canada also continues to support Mali's small arms-control initiative, just as Mali has actively supported Canada's international anti-personnel mines initiative. Peace and security are crucial prerequisites for any sustainable development; Canada will thus continue to support the establishment of conditions for peace and security in northern

Mali, the prevention of new conflicts and the promotion of a genuine move toward development in the area.

Good governance and the rule of law

Over the past decade, Canada-Mali cooperation has invested heavily in improving governance in Mali, notably by contributing to the SAP. In recent years, it has supported the PAMORI [Projet d'appui à la mobilisation des recettes intérieures], a major project of the Ministry of the Economy and Finance to raise government tax revenues which is scheduled to end in 2003.

Under the heading of good governance and democratic development, Canadian cooperation may support the electoral process and contribute to the effective organization of the upcoming elections, scheduled for 2002.

Canadian cooperation assisted in planning the PRODEJ⁹ and will continue to support Malian authorities in their reform of the legal and judicial system, in cooperation with other interested technical and financial partners. Mali and Canada agree on the necessity to uphold the rule of law, ensure respect for human rights (thus maintaining internal peace and security) and secure private investment in Mali. Another objective of Canadian support is to restore the people's confidence in their judicial system and to fight all forms of crime and corruption. This contribution will be made in synergy with activities designed to strengthen civil society and good governance in local communities¹⁰.

Cross-sectoral themes

The Canada-Mali cooperation program is focused on three broad cross-sectoral themes: women in development/gender equality, the environment and support for decentralization/priority status for northern Mali. Programming will seek to include these themes in each of the three priority sectors in the promotion of established sectoral objectives.



Photo : USC Canada

Basic principles

Two principles will guide activity planning, especially to ensure its sustainability: the building up of

⁹ See also section "Development challenges and policies". p. 9.

¹⁰ See also section "Economic development". p. 26.

local capacities and the involvement of people in their own development. Most current projects already apply these principles, whose importance was re-emphasized in the recent assessment of Canadian cooperation in Mali. Program activity planning will thus focus on recognizing and analyzing the strengths and weaknesses of institutions in Mali that are responsible for delivering services to the public. The program will also continue to encourage community involvement, already widely adopted in some projects. Finally, Canadian support will promote integration within the Mali program approach, in concert with the PRSP.



Photo: Georges Leclerc

Local Support Mechanisms

The bilateral program includes a number of mechanisms that support local program delivery. They reflect the directions of the program and allow improved responsiveness to Mali's priority needs. Canada-Mali cooperation uses four such instruments: the CFLI, the WID/GE Fund, the FCD and the PSU.

Canadian Fund for Local Initiatives

Under the authority of the Canadian ambassador, the CFLI complements programming and makes it possible to meet a whole range of requests for community development, usually on a small scale. Its current annual budget is CAN\$280,000.

Gender and Development Fund

The GAD Fund is a local support mechanism introduced early in the year 2000. Its objective is to build up the capacities of the MPFEF, as well as support civil-society organizations, in order to ensure the participation of women in development. A Canada-Mali selection committee evaluates requests received on the basis of merit. Acting on behalf of CIDA, the Canadian ambassador then approves projects recommended by the committee. Many needs have been put forward by the MPFEF and women's rights organizations in Mali, and investments have been found to be worthwhile. The GAD Fund will therefore be renewed if resources are available.

Common Development Fund

The FCD is based on a Canadian line of credit for Mali which allows Malian institutions or businesses to procure goods and services in Canada. In return, recipients agree to deposit an equivalent amount in a special local currency fund at the

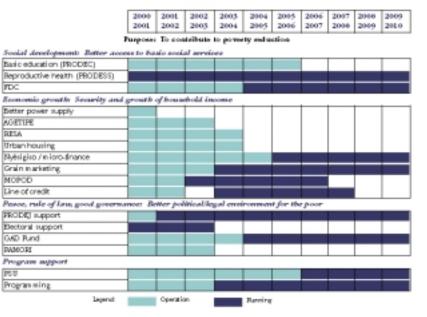
market value of the good procured. As a result of this "monetization" process, there is a locally established reserve in CFA francs equal to all Canadian dollar funding used to procure goods and services in Canada.

To date, the FCD has been used primarily to meet local costs of current projects. Authorities in Mali and Canada have agreed on the terms and conditions for managing this fund. It will now be used to support local initiatives that allow the achievement of objectives outlined in priority sectors, especially social development and development of the justice system.

Program Support Unit

The PSU has a mandate to highlight knowledge of intervention sector priorities, facilitate relations between partners in the public and private sectors in both Mali and Canada, and strengthen the planning, management, monitoring and evaluation of program activities. Among other functions, the PSU provides the program with a framework for service delivery by local experts. It supports the activity planning and monitoring process, while cooperating with the technical service units of partners in Mali and Canada as well as those of other bilateral and multilateral cooperation agencies.

Summary Table - Programming 2000 to 2010



The recent assessment of bilateral cooperation between Canada and Mali showed that PSU services are essential to program delivery and logistical support of activities. In its next phase, the PSU will also support Malian authorities responsible for coordinating Canada-Mali cooperation.

Other Channel of Canadian Cooperation

Canadian cooperation in Mali is provided through a variety of channels, including activities supported by the regional, pan-African and Francophonie programs, food aid and emergency humanitarian assistance, and the Canadian Partnership Branch of CIDA.

Regional, pan-African and Francophonie programs

This channel consists of bilateral funding initiatives carried out by three programs: the West Africa regional and OMVS support program, the pan-African program and the Francophonie program. Current projects focus on areas like basic human needs under the program's priority sectors. Examples include the large-scale pan-African AIDS program and the regional project supporting integrated epidemiological monitoring. Benefits arising out of the OMVS support project, the Manantali Dam, support economic growth. The project will expand production capacity through hydro power and boost the economy of Mali significantly. The pan-African

project supporting the application of credit union regulation has had a key role in expanding the availability of this type of financing for the poor. Other projects focus on democratic development and good governance (democracy and the media, women's rights and citizenship). The regional program to establish a civil society supports capacity building at the grassroots as well as environmental issues. In addition, there is some support for regional institutions, such as CILSS and the Club du Sahel.

Food aid and emergency humanitarian assistance

No Canadian cooperation is planned in this area at present, as Mali does not face an emergency, and currently has a plentiful food supply.

Canadian Partnership Branch

Bilateral cooperation is complemented by the extensive activities supported by the CIDA Partnership Branch. Because of its responsive approach, however, this support is not always in keeping with the basic aims of bilateral cooperation, and better synergy is required. Through this mechanism, the Government of Canada supports Canadian institutions and organizations that decide to fund requests by partners in Mali with their own resources. A number of Institutional Cooperation initiatives are noteworthy. A volunteer cooperant program has been operated by the Centre canadien d'études et de

coopération internationale (CECI) for many years. Développement international Desjardins (DID) supports small-scale activities as well as major bilateral projects in the credit union sector. SUCO manages a volunteer cooperant program and takes part in the bilateral MOPOD project. The Canadian Partnership Branch also supports NGO project-funding activities and youth action projects that allow 100 young people to participate in internships or exchanges with Mali each year. In addition, Industrial Cooperation has helped businesses in both Canada and Mali implement a number of joint projects over the past year. Its activities could grow significantly in the future.

BENEFITS, CONSTRAINTS AND RISKS

These key positive and negative external factors could affect the implementation of the Canada-Mali cooperation program: Mali's domestic political stability, the situation in northern Mali, climate change, the issues of governance and decentralization, Mali's coordination of development cooperation and the relevance of Canadian technical expertise.

Domestic political stability

Mali is a generally stable country making steady progress on the road to democracy. The political scene is nevertheless turbulent, and social inequities can make existing social pressures worse. Student organizations, unions, the press and various civil-society associations form an active, militant opposition that is sometimes capable of quick and violent mobilization and demands.

The current national reforms, especially in the social sector, take these factors into account. One of Mali's major assets is that its people enjoy a good deal of freedom of speech. Information flows freely, allowing open public debate. Mali is making a real effort to promote and respect basic human rights, and enormous progress has been achieved in this area since the advent of democracy. Leaders are regularly required to account for their administration. The proliferation of political parties, lack of consensus among the views expressed and the complexity of alliances are sometimes detrimental to the smooth operation of legislative and government mechanisms. However, the ADEMA (the President's party) still holds a comfortable majority. President Konaré, who will complete his second term in 2002, has given Mali a valuable national and African vision. He has managed the executive branch effectively and worked hard at both poverty reduction at home and regional integration abroad.

The judicial system in Mali remains the chink in the armour of its democratic institutions, despite a stated policy against corruption, financial fraud and influence peddling. When compared to most countries of the West African subregion, however, Mali offers a social and political environment whose strengths seem to outweigh its weaknesses in pursuing the country's democratic process and sustainable development.

Conflicts in northern Mali

The rebellion in northern Mali against the central authority seems to have been partly resolved since the Flame of Peace¹¹ and the reintegration of its former leaders into Malian institutions. The situation remains fragile, however, since this region is still the focus of more or less serious disturbances. Moreover, economic development in northern Mali has not kept pace with peace efforts. It is thus vital for Mali and the entire international community to limit the scope of the risks that exist in northern Mali. The explosion of a hotbed of rebellion in this region would be catastrophic and would affect not only Mali, but the entire West African sub-region.



Photo Georges Leclerc / Community centre, Kidal:

Regional stability

Finally, it should be noted that the regional political situation could have a major impact on Mali's political and economic environ-

ment. Political divisions in Niger could result in the political abandonment of northern Niger. This in turn could lead to a deterioration of the stability in northern Mali. The political situation in Côte d'Ivoire is also a matter of serious concern for authorities in Mali, as this coastal country holds the key to the Mali economy. Any political and economic problem there would have immediate negative repercussions for Mali.

Desertification and food security

An agricultural economy, especially in the Sahel, is continually exposed to risks associated with rainfall. A year of serious drought quickly becomes a national disaster. Global climate change in recent years has improved conditions in the Sahel. Rainfall has reached satisfactory levels and made it possible to build up food reserves.

Good governance and decentralization

Decentralization is the cornerstone, the key factor in the success of cooperation programs. One of the SNLP's major objectives is to bring public services closer to the

¹¹ The "Flame of Peace" was a highly symbolic moment in Mali's peace process. Held on March 27, 1996 under the auspices of President Konaré, this official ceremony saw some 3,000 weapons publicly destroyed in a huge bonfire. These were light weapons that the rebels had laid down in exchange for assistance and training promised by the Government of Mali and the international community to support their reintegration into society. In addition to publicly showing the parties' commitment to peace, this event served as a reminder of the proliferation of light weapons in northern Mali and in other regions of Africa where conflicts exist.

poorest. Mali's government mechanisms remain highly centralized and the human resources that it manages in the field often suffer from lack of training. Too many cooperation resources remain concentrated in offices in the capital, without ever reaching the people. Mali must also emerge from the "culture of aid." Its people must become convinced that they can build the future of their country and that they must wean themselves from dependence on international cooperation.

Coordination of cooperation funding

In the major intervention sectors, Mali has established consultation mechanisms with the leading donors. Canada supports and is actively involved in these initiatives. Risks of overlaps and inconsistencies within a sector are thus reduced. Encouraging consultation was one of the recommendations made by the foreign aid review. It is also one of the objectives set forth by Canadian cooperation in the three major intervention sectors.

This consultation would not be enough, however, if Mali fails to coordinate the different forms of cooperation funding. The coordination support program is intended build local capacities to allow Mali to assume its coordination responsibilities fully.

Relevance of Canadian technical expertise

The latest assessment of Canadian technical expertise (short- and longterm cooperants) indicates that it is generally appreciated and can adapt easily to the local operational environment. Nevertheless, technical aid is increasingly criticized, as it is often seen as a substitute for local capacity. Resorting to foreign technical expertise thus represents a risk in terms of the efficiency of cooperation. Malian partners will have to continue participating in the selection and planning of their support activities wherever recourse to Canadian technical expertise is considered relevant. This participation is to help avoid substitution and encourage the enhancement of local capacity.

CONCLUSION

Despite the fact that its HDI (Human Development Index) has improved, Mali remains one of the world's poorest countries. Socioeconomic indicators show that this country's greatest challenge is to persist in fighting poverty. Poverty affects Malian women in particular, and the female population clearly represents a vulnerable group.

Mali is going through a difficult transition period. The establishment of a society based on the rule of law implies significant changes in terms of administrative structure, good governance, public financial management, as well as the relationship between government and civil society. Although it takes a long time, this process is a prerequisite for peace and security. It also requires economic prosperity, especially in a context where a variety of factors hamper development, including the weakness of the private sector and the general shortage of qualified human resources. Action has been taken, but much remains to be done.

The overall bilateral program objective for the 21st century will be to support Mali's efforts to reduce poverty, improve its people's access to basic social services (social development), encourage the growth and security of household income (economic development), support the promotion of peace and security, as well as seek to establish good governance and the rule of law. CIDA subscribes to this policy vision, which is consistent with its earlier approaches, while adjusting its support to Mali's current need for poverty reduction.

The current policy framework aims at improving the partnership between Canada and Mali in order to encourage sustainable development. On one hand, Canadians expect cooperation programs to have real and effective impacts on the communities they assist; on the other, Mali's foreign aid review shows that even though cooperation programs have yielded basically good results, they have not yet been able to fulfil all of the Malian population's expectations. The governments of both countries thus acknowledge that the program must be made to fit the demands of cooperation in the 21st century: better services for local communities, efficient and transparent governance, and greater responsibilities for the partners in Mali. This document provides a framework within which Canada and Mali can achieve these objectives, monitor the results obtained and change action plans as necessary.

Bolo kononi kelin ke bele ta A single finger can not lift sand

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ANNEX B Proposed matrix of policies and strategies in Mali

(Source: PRSP)

Policies	Objectives	Strategies				
Macro-economi	Macro-economic policies					
	 Average annual growth rate of 6% Inflation rate of 2.5% Current account deficit corresponding to 7% of GDP in 2002 Average annual growth of money supply: 8% 	 The investment rate should be about 25%. 				
Public finance policy	 Ensure the sustainability of government financial operations to reduce Mali's dependence on foreign budgetary assistance, while reducing taxes on imports and managing urgent needs in key sectors. The objective is to bring the overall deficit of government financial operations (commitments and non-grant funding) to a level that can be funded without budgetary assistance by 2002. 	 Domestic tax reform Improve revenue effectiveness 				
Monetary policy	Continue to apply a prudent regional monetary policy that is compatible with established objectives: set the exchange rate for the CFA franc in relation to the euro; strengthen the Union's external position.	 In micro-finance, government policy would focus on developing savings banks and credit unions, and on strengthening existing mechanisms. In financing, the government will also favour the mobilization of national and sub- regional savings by encouraging sectors of the economy to be quoted on the sub- regional stock exchange. 				

Policies	Objectives	Strategies
Structural poli	cies	
Private-sector development	 Increase the role of the private sector in the economy. 	 Implement a private- sector development program designed primarily to increase the level and effectiveness of private investment. Special efforts will be made to channel the private sector better for more effective mobilization of lines of credit, especially at the regional and international levels.
Legal and judicial environment	• The government will pursue the policy of rehabilitating justice, so that it can play its true role of regulating social relations, promoting economic development and securing investment.	 The government will implement the justice development program (PRODEJ) to this end.
Sectoral policie	95	
Education sector	 The objective is to increase the enrolment rate from 50% in 1998 to 61% in 2002. 	Continue implement- ing the ten-year educa- tion development program (PRODEC).
Health sector	 Pursue and improve the quality of health services; broaden health care coverage; promote reproductive health. The government's objective is to achieve the following through PRODESS: recruit at least 200 health officers per year; raise the child immunization rate from 45% in 1998 to 76% in 2002; increase the proportion of the population covered by primary health care services from 40% in 1998 to 60% in 2002. 	 The government will implement the health and social development program (PRODESS) to this end.

ANNEX C Mali: Information and statistics

Comparison between Mali and sub-Saharan African countries in general

Indicato <i>e</i> s	Mali	Sub- Saharan Africa
General development indicators		
Human Development Index (HDI), 1990	0.58	0.666
Gandar-Sansitive Human Davelopment Indax (HDI), 1998	0.371	0.650
Life expectancy at birth (years):		
Total	58.7	68.9
Women	55.0	\$0.8
Man	\$2.4	47.6
Adult literacy rate in 1990		
Total	36.2	50.5
Women	31.1	\$1.6
Man	45.0	68.0
Parcentage of parliamentary positions occupied by woman, 1000	12.2	11
Parcantage of the population danied access to services, 1996:		
Water	34	40
Health care	60	
Sanitation	94	52
Better chances of survival		
Life expectancy at birth (years) :		
1970-1975	42.9	58.8
199.5-2000	45.0	68.9
Infant mortality rate (per 1,000 live births):		
1970	221	144
1990	130	106
Under five mortality rate (per 1,000 line birthd)		
1970	301	237
1950	226	172
Official maternal mortality rate (per 100,000 live births):		
1990-1998	580	
Health		
Parcantage of one-war-olds immunized against cartain diseases:		
Tubarculoris, 1995-1990	- 66	57
Mazilas, 1995-1998	8	48
Number of cases of tuberculosis per 100,000 inhabitants, 1997	49.7	106.6
Number of cases of malaria per 100,000 inhabitants, 1997	3 689.3	
Persons living with HIV or AIDS in 1997:		
Total number (aged 0 to 49)	49,000	20,796,100
	1.67	7.58
	1.02	
Percentage of adult population (aged 15 to 49) Number of doctors per 100,000 inhabitants, 1992-1995	1.07	32

Indicators	Mali	Sub- Saharan Africa
Education		
Literacy rate in 1990, as a percentage of the target population:		
Adults 15 and up	38.2	62.5
Young adults 15 to 24	20.6	75.0
Enrolment rate by age group, as a percentage of the target population		
Primary school-age children, 1997	38.1	56.2
Secondary school-age children, 1997	17.9	61.6
Children who have reached the fifth grade, 1995-1997	86.0	
Public spanding on aducation:		
Pementage of GNP, 1995-1997	2.2	67.4
Kindergarten, primary and secondary school (14 at all levels), 1994-1997	17.7	6.1
Higher education (% at all levels), 1994-1997		
Access to flow of information		
Number of public telephones per 100,000 inhabitants:		
1990		0.01
199-6-1996	0.50	
Number of talavision sets par 100,000 inhabitants:		
1990	2	11
1996-1996	24	50
Number of microcomputers par 100,000 inhabitants in 1996-1990	1	
Economic parameters		
ONP in \$B, 1998	2.6	310.8
Annual growth of GNP as a percentage		
1975-1995	2.1	B.7
1990-1998	2.0	2.8
Pancapita GNP in.∮, 1990	250	\$80
Annual growth of per-capita GNP as a percentage:		
1975-1990	-0.3	0.8
1990-1990	-0.9	-0.6
Average annual inflation as a percentage:		
1990-1998	9.3	6.8
1990		
Macro-economic structure		
0DP in #B, 1998	2.7	819.8
Palatine size of sectors as a percentage of GDP, 1990		
Agriculture	66.9	17.5
Industry	85.6	18.8
Sarvicas	20.6	\$1.6
Consumption as a percentage of GDP, 1998:		
Consumption as a percentage of GDP, 1998: Private consumption	77	13
	77 ©	13 16

Indicatore	Mali	Sub- Saharan Africa
Resource flows		
Exports of goods and services as a percentage of GDP		
1990	17.1	29.0
1990	27.3	20.4
Imports of goods and services as a pessentage of GDP:		
1990	88.7	34.4
1998	24.7	30.7
Resource utilization		
Public spending allocated to education, as a percentage of GNP:		
1990		2.3
1995-1997	6.9	6.1
Public spending allocated to health, as a percentage of GDP.		
1990	1.6	2.0
1996-1998		2.4
Military spending as a percentage of ODP		
1990	2.1	1.5
199 e		
External debt and aid received by Malk		
Net official development assistance received (net disbursements):		
Total assistance (\$10):		
199.2	431.0	14/2
1998	349.3	14/2
As a percentage of GNP:		
1992	15.8	N/9
1998	13.2	N/9
Par capita (\$):		
1992	48.2	N/9
1998	88.0	N/9
External debt:		
Esternal debt: Total assistance (#M):		
Total assistance (RM): 1945	1,656	N/2
Total assistance (RM): 1965 1998	1,636 3,201	
Total assistance (MM): 1985 1998 As a parcentage of GNP		
Total assistance (MM): 1985 1998 As a parcentage of GNP 1985	3,201 113.1	N//
Total assistance (fbt): 1965 1998 As a percentage of GNP 1965 1998	3,201	N//
Total assistance (PM): 1995 1996 As a parcentage of GNP 1995 1998 Debt service ratio, as a percentage of exports of goods and services:	3,201 113.1 120.4	N/0 N/0 N/0
Total assistance (PM): 1985 1998 As a parcentage of GNP 1985 1998 Debt service ratio, as a percentage of exports of goods and services: 1985	3,201 113.1 120.4 17.3	N/0 N/0 N/0
1965 1996 As a percentage of GNP 1965 1998 Debt service ratio, as a percentage of exports of goods and services:	3,201 113.1 120.4	N/0 N/0 N/0 N/0 N/0 N/0
Total assistance (PM): 1945 1946 As a parcentage of GNP 1945 1946 1946 Debt service ratio, as a percentage of exports of goods and services: 1945	3,201 113.1 120.4 17.3	N/0 N/0 N/0
Total assistance (PM): 1998 1998 As a parcentage of GNP 1998 Debt service ratio, as a percentage of exports of goods and services: 1995 1998 Population transfe Total population in millions of inhabitants:	3,201 113.1 120.4 17.3 12.6	160 160 160 160 160 160
Total assistance (PM): 1995 1996 As a parcentage of GNP 1996 Debt service ratio, as a percentage of exports of goods and services: 1995 1996 ReputAtion in millions of inhabitants: 1975	8,201 113.1 120.4 17.8 12.6 6.2	N/2 N/2 N/2 N/2 N/2 N/2 N/2
Total assistance (PM): 1995 1996 As a parcentage of GNP 1996 Debt service ratio, as a percentage of exports of goods and services: 1995 1996 Population transfit Total population in millions of inhabitants:	3,201 113.1 120.4 17.3 12.6	160 160 160 160 160 160

Indicators	Mali	Suh- Saharan Africa
Population trends (Cont's)		
Annual rate of population growth as a percentage:		
1075-1098	2.4	2.0
1998-2015	2.6	2.8
Urban population, as a percentage of total population:		
10.75	16.2	20.8
1990	28.7	82.7
2015	40.1	42.6
Dependency ratio, as a percentage		
1990	101.8	91.0
2015	e6.6	77.6
Population aged 65 and over, as a percentage of total population		
1954	3.7	0.6
2015	0.6	0.6
Total fertálity rate		
1970-1975	7.1	6.7
1995-2000	6.6	5.5
Use of means of contraception, as a percentage, 1990-1999	7	
Education levels - Women and men		
Literacy among adult women in 1990:		
Rate as a percentage of the population age 15 and up	81.1	\$1.6
Index (base 100 = 1995)	289	146
As a parcantage of the literacyrate among man	68	76
Enrolment of girls in primary school in 1997, adjusted by age group:		
Rate as a percentage of the target population	81.2	\$1.B
Index (base 100 = 1985)	217	101
As a percentage of the literacy rate among boys	۲	85
Enrolment of girls in secondary school in 1997, adjusted by age group:		
Rate as a percentage of the target population	12.9	35.0
Index (base 100 = 1985)	222	111
As a percentage of the literacy rate among boys	56	
Students enrolled in higher education		
Number per 100,000 womens	52	
Index (base 100 = 1985)	23.6	
As a percentage of male students	24	

Change over time in certain indicators

Indicators	1975	1900	1905	1990	1998
Human Development Index (HDI): Mali Sub-Saharan Africa	0.260	0.277	0.258	0.816	0.360
Gross Domartic Product (GD#) per capita in \$: Mali Sub-Saharan Africa	268 780	301 1,070	271 1,170	249 1,450	267 1,520

Source Hannan Development Report 2000.

ANNEXE D Eight intervention sectors of the SNLP

Improving the economic, political, legal, social and cultural environment by allocating a larger share of the national budget to essential social services, strengthening the private sector and local forms of collective solidarity, supporting the development of grassroots communities and multiplying opportunities for women and children to improve their status.

Promoting revenue-generating activities, especially self-employment by creating labour-intensive public works programs, supporting private investment in the agri-food sector, developing small animal husbandry, opening up poor areas, improving technical and vocational training for youth and involving labour market coordination mechanisms in poverty reduction.

Improving access to financial services and other production factors by implementing and developing microfinance, training managers of decentralized financial systems, establishing a transparent land management frame-work and improving access to inputs.

Promoting the development and improvement of performance in agrifood sectors where most of the poor work by improving the production, inventory management and marketing of agricultural products; supporting the organization of producers, processing and preserving products in areas where most of the poor live; and promoting sustainable natural resource management.

Improving access to education and training by building primary schools near villages in poor areas, building basic training centres, diversifying programs for out-of-school children, improving the working conditions and qualifications of teachers, developing school cafeterias, involving communities in managing primary education and supporting Koranic schools and "medersas."

Promoting access to basic health care, nutrition, water and sanitation sanitation by applying the essential drug policy, building well-equipped community health centres, involving women in managing these centres, improving the health conditions of women and children, strengthening existing programs to help fight endemic diseases, building cooperation between modern and traditional medicine, improving the availability of drinking water and promoting environmental sanitation.

Improving housing conditions by promoting construction techniques using local materials, providing incentives for the private sector to build lowcost housing, supporting the development of housing cooperatives and supporting sanitation efforts in poor urban and surrounding areas.

Ensuring effective coordination of the SNLP by building the capacities of mechanisms at all levels to collect and analyze data on household living conditions, building up monitoring and evaluation capacity, coordinating national and regional initiatives, strengthening national mechanisms responsible for mobilizing resources needed to implement the strategy, raising public awareness of poverty in Mali, helping communities to coordinate local stakeholders and coordinating the poverty reduction activities of non-governmental organizations and associations.

Source: Republic of Mali (1998), *Stratégie nationale de lutte contre la pauvreté* [national poverty reduction strategy], Ministry of the Economy, Planning and Integration, summary document published in August 1998.

ANNEX E Overview of international assistance in Mali

Partner	Characteristics of assistance			
	Bilatérale			
Franca	 Frovidas about 30% of bilateral aid to Mali Actively involved in most sectors Areas of concentration for Agence française de développement: urban infrastructure and development (5%%), rural and agro-industrial development (45%) 			
Germany	 Recently signed a two-year, CAN#668M bilateral cooperation agreement with Mali Sectors: rural development and environment, mining, energy and water, transportation, institutional reform and private-sector development, northern Mali program, health, education, financial sector 			
Japan	+ Fourth-largest donor, with about 11N of the bilateral aid envelope			
Nəthərlandı	 Value of bilateral peogram: about CAN# 41M Aid provided mainly as direct budgetary assistance to the Government of Mali (45%) Allocation of other funding: rural development (25%), education (8%), health (7%), environment (5%). 			
United States	 Annuel disbursements totalling CAN \$50M Target rectors: youth assistance (primery health, basic education, training - 45%); economic growth (grain and livestock production - 35%); good governance (decentralization, democracy and civil society - 5%; information (media and social communication - 3%); northern Mali program (8%). Support for effective partnership between NGOs in the United States and Mali 			
Buropaan Union	 Implementation of the 1995-2000 program, valued at CAN#5000M, has been completed. Allocation of funding: decentralization (17%), transportation infra- structure (46%), rural development (19%), northern Mali program (10%), health (10%). 			
Cana da	+ Sixth-largest donor (see section 3.2)			

Partner	Characteristics of assistance
	Multilateral
World Bank	 Portfolio of projects planned for an average duration of four years, totalling CAN#500H Kay sectors: rural development, institutional reform and private-sector development, transportation and communications, mining, energy and water, health, primary education (including support for PRODEC)
UNDP	 1998-2002 program totalling CAN#10/84 Key themes porerty reduction and support for revenue-generating activities (28%); powerty reduction, education and basic health (10%); good governance and support in managing poverty reduction (20%); good governance and support for decentralization, conflict prevention, justice and institutional reform (38%)
afba	 Under the 1959-2001 program, 70.4 million units of account (UA) were allocated to four sectors social sector (education, health) – 20%, agriculture – 20%, social infrastructure – 12%, and non-project operations (structural reform) – 37%
UNICER	 1998-2002 program totalling #80.0M, including #10M in additional fending from estemal sources. The program focuses on survival (50%, health, nutrition, drinking water, hygiene and samitation), development (80%, primary education, capacity building and literacy especially for women) and protection (20%, women's and children's rights).
UNFFA	 Under the current \$9.7M program: \$6.5M for reproductive health, \$0.7M, youth promotion, sports and health, \$2.5M to develop health survices

ANNEX F Canadian firms and NGOs in Mali

Type of stakeholder	Name
Private corporations	 Arbton Mining / Mink
	 Barrick Gold
	 Canaral
	 CRC-Sogema
	 Harris Wireless Access
	 Hydrogéo Canada
	 Iamgold / AOEM
	* Newron
	 Flacer-Dome
	 Segibel
	 SN(C-Lavalin
	 SR Telecom
	* Thosult
Covernment and para-	 Fadaration of Canadian Municipalities (FCM)
public corporations	 Hydro-Québac International
Cooperatives	 Développement international Dasjardins (DID)
NGO	# Save the Children - Canada
	 Canadian Crossroads International
	 Carrafour de solidarité internationale (CSI-Sharbrooks)
	 Centre canadian d'études et de coopération internationale (CECI)
	 Centre de formation à la coopération interculturelle du Québec
	(CFCI)
	 Development and Peace
	 CRUDEM Roundation
	 Julas and Paul-Ésula Légar Foundation.
	 Paul-Gérin Lajoie Foundation
	 Foster Parents
	 Canada World Youth
	 Canadian Organisation for Development through Education (CODE)
	 Oafam-Quábec
	* FLANT
	 Sahal 21
	 Solidarité Canada-Sahal
	 Solidarité Union Coopération (SUCO)
	♦ USC Canada-Mali
	World Vision
Universities and colleges	 Écola nationala d'administration publique
	 Université Laval
	Université de Montréal
Unions	+ AEO
	 Cantra international da solidarité ouvrière (CISO)