



APRIL 2007 • EMBASSY OF SWEDEN, MALI

Sida Country Report 2006

Mali



Content

1. Summary	3
2. Development trends in Mali	5
2.1 Poverty trends.....	5
2.2 Political context and events	6
2.3 Migration.....	8
2.4 Democratic Governance and Human Rights	8
2.5 Economic trends, structural reforms and budget execution	10
2.6 Access to Basic Social Services.....	11
2.7 The new Poverty Reduction Strategy 2007–2011	12
2.8 Donor Harmonisation and the Paris Agenda	13
3. Swedish Development Cooperation – Overall Assessment of the Country Programme	15
4. Specific Country Program Overview of the Swedish Development Cooperation.....	17
5. Office and administrative issues	19
Annex 1: Mali Country Report: Disbursements 2005 and 2006 plus forecasted disbursements 2007–2008 (including Norwegian Funds).....	21
Annex 2: Country Matrix for Mali: Planned disbursements 2007–2011 (including Norwegian Funds).....	22
Annex 3: Disbursements compared to plan 2005 and 2006 (including Norwegian Funds).	23
Annex 4: Goals and Results Analysis for Sweden's cooperation strategy with Mali 2004–2006.	24

Published by Sida 2007

Department for Africa

Author: Embassy of Sweden, Mali

Printed by Edita Communication AB, 2007

Art. no.: SIDA36889en

This publication can be downloaded/ordered from www.sida.se/publications

1. Summary

Poverty trends: Much below PRS targets; the poor are not benefiting from fair average growth (5.1% during 2002–2005) and inequalities appear to be on the rise (especially urban – rural).

Political evolution: A fairly turbulent year with events that have led to vocal criticism but where the Government of Mali have managed well to reduce tension. Consensus politics appears to be on the decline and opposition characters emerge.

Democratic Governance and Human Rights: Whereas the freedom of expression and association is well respected, Mali demonstrates serious deficiencies in the legal application and practical respect for the rights of Women and Children. Corruption remains widespread and the publication of the first report of the Auditor General has had no visible impact on the political will to fight corruption.

Economic development: Good rainfalls and all-time high gold prices helped Mali to reach at the same level of economic growth as over the past five years (5.1%). However, the economy remains little diversified and the Government displays limited will and capacity to implement structural reforms which would sustain future growth. It has also been weak in mobilising domestic financial resources for increased budget space.

Access to Social Services: Despite multi-year reform programs and important investments in health and education, impact in terms improved education, health and nutrition status of the population is difficult to ascertain. The results from the 4th Health and Demographic Survey, expected early 2007, will be instrumental in this respect. In the meantime, results in the form of improved access and increased enrolment rates can be observed.

The new PRS¹ and the Paris Agenda²: During 2006, Mali formulated a new PRS for the period 2007–2011. While seeking to consolidate reforms and investments in the social sectors and in public administration, it puts

¹ Poverty Reduction Strategy (PRS)

² The international commitment to rendering aid more efficient and effective by strengthening country ownership, emphasising results, aligning on national procedures, harmonising donor procedures and promoting mutual accountability between donors and recipients.

greater emphasis on the role of economic growth for poverty alleviation and hence greater investment in support of the “productive and rural sectors” (agriculture and mining). Although meant to be a participatory and transparent process, the input and appropriation of local government and civil society is perceived as limited. Whereas the new PRS can be interpreted as a political message to continue to focus development efforts on poverty alleviation, its analytical basis is weak and the relevance and feasibility of the proposed policy framework for fighting poverty and reaching the MDGs³ are yet to be proven. Its strongest characteristic, compared to the first PRS, is its improved coherence with the sector level MTEFs⁴ and the state-budget. It is accompanied by a national “Harmonisation Plan” for reaching the Paris Declaration Performance Targets, which should render its implementation more efficient.

Swedish Development Cooperation: The Country Plan 2006 has largely been implemented as planned. The overall priority of a concentrated portfolio has been met and disbursements were made as planned, with minor deviations between and within contributions. The initial country frame was exceeded with 8%. The coordination between the SDC and HQ-based sector departments still needs to be strengthened. Continued high turn-over and absences of staff, both at HQs and the SDC, has slowed down work, hampered program preparation and program related monitoring and dialogue, and has put additional pressure on the remaining staff at the SDC. Discussions have been initiated with AFRA on how to strengthen the mutual “Mali team spirit” between HQs and the SDC and how to mobilise capacity for short term staff reinforcements.

A revision of the Swedish strategy for development cooperation with Mali was foreseen in 2007 but has been put on hold awaiting the new (September 2006) Swedish Government’s decision on country concentration. In the meantime, the analysis of the results of past cooperation has been launched. A draft summary is provided in annex 4 of this annual report.

³ Millennium Development Goals (MDGs)

⁴ Medium Term Expenditure Framework (MTEF)

2. Development trends in Mali

2.1 Poverty trends

The first annual PRS⁵ review was held in June 2006 (for the period 2002–2005). Statistics in Mali are weak. However, based on available data and certain hypotheses⁶, it was concluded that poverty reduction during the period under review has been uncertain, limited and most likely combined with increased inequalities⁷. There has been positive but insufficient average economic growth over the same period (on average 5.1%⁸) which is forecasted to remain at about the same level in 2006⁹. Reasons behind growth patterns which do not appear to benefit the poor include growth in the gold mining industry and in the construction and services sector in the capital Bamako. In addition, reforms aiming to increase access to social services and the decentralisation of budget funds and operational responsibilities to local levels have been slow, with limited impact on poverty alleviation.

The issue of food security has been well managed this year. Worrying signals came from the Northern region of Kidal in August but appear to have been addressed. Total cereal production in 2006 is forecasted to exceed the production in 2005 due to good rainfall, but also increased productivity, primarily in the rice sub-sector.

In connection with the publication of the Human Development Index (HDI) for 2004, in November 2006, a heated debate broke out where the Malian Government vigorously refuted its ranking as third from the bottom (with an index of 0.338), advancing only Sierra Leone and Niger. Mali claims they should rather be ranked as 158 (with a re-calculated HDI index of 0.450; the same as Rwanda) in light of its efforts to fight poverty. UNDP has not made any official statement or given any techni-

⁵ Mali's Poverty Reduction Strategy (PRS) covers the period 2002 to 2006. A new five year PRS for the period 2007–2011 has been developed during 2006.

⁶ A new so-called "light household survey" was supposed to take place in 2006 but has been delayed. Poverty levels are thus calculated based on existing data and time projections. The poverty threshold (which is slightly higher than in neighbouring countries) has been adjusted based on per capita economic growth and the proportion of the population living below the poverty threshold has been calculated based on population data from 1998, demographic growth and household statistics from 2001. This has led to an estimate of poverty being reduced with about 9%, compared to an objective of 21%.

⁷ Inequalities, especially between urban and rural areas, are perceived to have increased. This is however primarily based on anecdotal evidence since no Gini coefficient analysis has been carried out since 2001. Inequalities in income distribution also increased between 1989 (Gini coefficient = 0.365) and 2001 (Gini coefficient = 0.401).

⁸ According to the PRS review report, which covers the period 2002–2005.

⁹ IMF PRGF fifth review document, February 2007.

cal explanations to the disparities in interpretation, whereas the Malian Government has held several press conferences on the subject ¹⁰. This is seen to be linked to the electoral context (Presidential and Parliamentary elections in 2007) but the fact remains that statistics in Mali are scarce, contradictory (depending on sources) and fairly old¹¹.

2.2 Political context and events

Besides continued speculations about the “end to consensus politics”, no major political events took place in the first part of 2006. But, on May 23rd, three military bases in the North were attacked on the same day in the localities of Kidal and Menaka (in the region of Gao). The “rebels”, later presenting themselves as the “Democratic Alliance for Change of May 23rd”, managed to withdraw to the mountain areas northeast of Kidal with important quantities of weapons and provisions (inter alia from the WFP stores in Kidal). Six human lives were lost.

Looking back, the attacks were not really surprising. Tension had been on the rise since the establishment in Kidal of a Libyan Consulate in February 2006. This, in turn, led to heated debates in the national newspapers on the claims for “increased autonomy of the region of Kidal” voiced by certain Tuareg groups. The situation was further exacerbated by the visit of the Colonel Ghaddafi to Tombouctou in March to celebrate the Birth of the Prophet. The lack of respect for the Malian protocol during the visit of Colonel Ghaddafi, together with the establishment of the Libyan Consulate, was perceived by Bamako and many Southerners as an incursion into the territorial autonomy of Mali¹².

Voices were raised in favour of a quick military solution. Mali's President Amadou Toumani Touré (ATT), however, quickly made an official announcement stating that the conflict be resolved by peaceful means. Algeria was appointed mediator, the Libyan Consulate was closed on May 24th and the “Alger Peace Agreement” was signed on July 4th. This evolution was generally welcomed by the international community in Mali, but rejected by the intellectual and political classes in Bamako, including by the president of a major opposition party (RPM), Mr. Ibrahim Boubacar Keita (IBK). In light of the criticism voiced and up-coming elections in 2007, President ATT appeared to expose himself to major political risks.

Implementation of the Alger Agreement has been slow. Life has gone back to normal in Kidal town but the regular army has a stronger presence than before the attacks and there has been two deadly confrontations between rebels and the Algerian Salafist movement GSPC (now pledging alliance to al Qaeda), showing that the situation has not yet stabilised.

The attacks of May 23rd totally overshadowed another potentially interesting political initiative, namely “the Democratic Manifest” which was presented and signed in Bamako in June 2006. It was a protest

¹⁰ Mali published, to this effect, a small folder, in November 2006, called “Socio-economic performances of Mali 2002–2005”, where they seek to demonstrate an HDI of 0.450. It is however not clear whether this would refer to the year 2004 or 2005.

¹¹ The latest population census is from 1998 (and the current population registry highly deficient), the latest Health and Demographic Survey and the most recent Poverty Survey is from 2001 (although a smaller “Living Conditions Survey” was carried out in 2003). Priority appears to have been given to macro-economic statistics rather than household and population data but this will need to change during the next PRS period if an acceptable level of impact monitoring is to be achieved.

¹² This has also to be seen in light of Libya's role during the violent Tuareg rebellion in the early 90s where many of the Tuareg “rebels” were demobilised soldiers from the Libyan army or Libyan trained mercenaries. Colonel Ghaddafi has always been perceived as sympathetic to the “Tuareg cause”.

against the nature of political life in Mali, the lack of vision, ideology and programs of the political parties and their unconditional support to President ATT. However, the initiative lost part of its credibility as it was signed by a number of prominent party personalities which have subsequently not withdrawn from their respective parties.

In September 2006, a book called “ATT-cratie: a man and his clan”, written under the pseudonym “The Sphinx”, was published by Harmattan in Paris. It is an attack on President ATT, illustrating with numerous examples of varying credibility, how he has built up his power base via nepotism, clientelism and corruption. The book is likely written by several authors, is of highly variable quality and repeats information earlier published by national newspapers. Speculations about the author(s) point to people with a past in the security services. However, the book appears not to have had any significant impact on President ATT’s popularity.

The pre-election campaign has been going on for the greater part of 2006¹³ but the official campaigns will not be launched until February 2007, three months before the first round of the presidential elections (on April 29th, 2007). Four of the bigger political parties have rallied behind the current president (ADEMA, URD, MPR, CNID), together with numerous small parties, which renders the pre-electoral political landscape little interesting. However, in November, the number two of ADEMA, Mr. Soumeylou Bobeye Maiga, was suspended from his party after having openly criticised ADEMA, the driving force behind the democratic movement which led to the end of the military regime in 1991, for not aspiring at the Presidency. After his suspension, he has announced that he will be a candidate in 2007. Together with Mr. IBK of RPM, this could potentially constitute a threat to President ATT, especially if he is not elected in the first round.

The sub-regional context continues to expose Mali to high political risk. The evolution in Mauritania after the military coup in late 2004 appears promising. Local elections took place in December 2006¹⁴, according to plan. The evolution in Guinea remains unpredictable and events in Ivory Coast are discouraging¹⁵. Mali has absorbed the initial shock of high numbers of Ivorian returnees but the border zones of the region of Sikasso continue to suffer from reduced economic activities. Ivory Coast is no longer the engine of growth it used to be in the region.

As most African leaders, President ATT participated in the China – Africa Summit in Beijing in November 06. China has tripled its trade and investments in Mali over the past 10 years being primarily present in the sectors of infrastructure, pharmaceuticals, textile, small restaurants and hotels. It is expected Chinese investors will have an interest in bidding on the Malian cotton company CMDT during its privatisation in 2008.

¹³ With frequent televised inaugurations of social residential houses, roads, wells, etc. or celebrations of international events such as Feb 6th (the Day against FGM), March 8th (International Women’s Day), and Dec 1st (the International Aids Day) by the President, his wife and his closest ministers.

¹⁴ Parliamentary and presidential elections are planned for early 2007. The new electoral law in Mauritania introduced a quota of 20% for women whereas a similar proposal (of 30%) was rejected in Mali.

¹⁵ Elections planned for October 06 were not organised and the « toxic waste affair » brought even stronger tension between the President and the Prime Minister on issues of accountability and sanctions for those involved.

2.3 Migration

Migration routes have changed since the Spanish enclaves in Morocco are no longer accessible but migration as such does not appear to diminish, on the contrary. Instead of transiting through Mali through the Northern town of Gao and then via Southern Algeria to Morocco, the new migrant routes go via the desert to the coasts of Mauritania and Senegal and then to the Canary Islands. Although most migrants are Africans, there are increasingly migration candidates from Asia (India, Pakistan and Bangladesh) taking the route over the Arab peninsula, through Sahara to the Canary Islands. The Malian Government has lately accepted to receive returnee migrants from Spain, despite initial resistance.

Migration is probably to Mali today what it used to be to Sweden at the end of the 19th century. With about 300.000 new arrivals to the Malian labour force every year¹⁶ whereas new employment opportunities in the formal sector might be counted in the hundreds, or a few thousand every year¹⁷, there are no opportunities for most young Malians other than seeking their fortune elsewhere. The Malian government has little reason to discourage migration. It brings annual remittances to Mali in the magnitude of a third of total export revenues¹⁸, it channels an “energy” which could otherwise turn into despair, frustration and social instability and, it is a strong cultural characteristic in some parts of Mali.

The French Minister of Interior, Mr. Sarkozy, visited Mali on May 17–18 2006 as part of his presidential pre-campaign, inter alia to discuss migration with the Malian Authorities. A few small demonstrations were organised where parliamentarians from the region of Kayes, where most of Malian migrants in France originate from, were the most vocal.

2.4 Democratic Governance and Human Rights

A major initiative in this area during 2006 has been the European Commission’s so called “governance matrix” which is an instrument to map the state of “good governance” as a basis for policy dialogue and renewed government commitment¹⁹. However, whereas the discussions around the governance matrix were useful to develop a shared vision on policy dialogue among the donors²⁰, the government response has been timid. The donors agree that major weaknesses are found in the areas of women’s and girls’ rights, the fight against corruption, the justice system and the efficiency of the public administration but the Government has been slow to indicate the areas in which it is willing to improve.

The reform program in the area of public administration (PDI) continues to be slow, as is the decentralisation reform. The capacity in the public administration is generally very low, especially at the deconcentrated and decentralised levels.

¹⁶ The population growth is between 2.5% and 3% and the total population is about 12.5 million.

¹⁷ The total number of salary employees is estimated to 200.000 of which 60.000 in the public administration. With an economy which grows with about 5% a year, with even lower growth in employment, the number of new jobs will be limited.

¹⁸ Estimates of total remittances usually refer to 30 - 50% of total export revenues but they remain gross estimates.

¹⁹ Based on a substantive government commitment to improve governance, every ACP country can aspire to an “incentive tranche” of up to 30% of the total EFD envelope for the country in question. In Mali, this represents about EUR 130 million over five years.

²⁰ WB, Canada and Switzerland have also been associated to this process

The fight against corruption

The Office of the General Auditor (BVG)²¹ presented its first annual report for the period April 2004 to December 2005 in May 2006. The report focused on public revenue and expenditure through a selected number of in-depth audits in the areas of tax collection and custom charges and with regard to public procurement (representing over 50% of public expenditure). The audits conducted on VAT collection in a total of four entities revealed lost state revenues amounting to FCFA 13 billion (SEK 178 million) and the audits in the area of custom charges on imported petroleum products revealed losses of FCFA 2 billion (SEK 27 million)²². This can be compared with Swedish General Budget Support amounting to SEK 50 million in 2004 and SEK 70 million in 2005. The audits related to public procurement revealed serious problems in applying existing regulation and ensuring proper follow-up of approved contracts.

During 2006, the BVG has investigated the “Office de Niger”²³, the Education sector and Aid Management. The report is due early 2007 but might be postponed because of the electoral context. Over his seven year mandate (2004–2010), the BVG’s expressed ambition is to “put numbers on the phenomenon of corruption in order to visualise the magnitude of the problem” but also to adopt a “pedagogical approach” which privileges improvement over sanctions. So far, his investigations have led to few court cases, despite a large number of files transferred to the attorney, but in the case of “Office de Niger”, and despite initial resistance from local courts, several people (11) have now been arrested.

Human and Women’s Rights

The Ministry for the Promotion of Women, Children and the Family organised a sub-regional conference in Bamako in February 2006 to discuss a law against Female Genital Mutilation (FGM)²⁴. However, despite speaking examples from neighbouring countries on the feasibility and (positive) effects of a law against FGM, Mali did not pass any resolutions in favour of a law. The conference was followed-up by the Ministry through a workshop in October and action plan for next steps was developed. The Government has however announced that neither the revised Family Code nor a law against FGM will be passed until 2009²⁵ and that they do not want these questions to surface in the pre-electoral debates. The resistance from certain groups in society is too strong to be challenged during an electoral year.

In November 2006, the revised statutes of Mali’s Human Rights Commission were adopted. One of its new tasks will be to contribute to the drafting and submission of reports to international instances on the implementation of international conventions which Mali has ratified, an area where Mali is seriously lagging behind.

²¹ Le Bureau du Vérificateur General (BVG)

²² Note that these figures are based on selected samples entities audited during the period in question and thus only represent a minor part of presumed total state revenue losses. In 2000, the World Bank estimated that the total state revenue loss due to tax fraud on imported goods was FCFA 200 billion or SEK 2.7 billion.

²³ Office de Niger is a parastatal company running large areas of irrigated agricultural land in the area around Segou, primarily in the rice sub-sector.

²⁴ The conference was organised with the support of the Italian NGO “No Peace without Justice” and several donors in Bamako, including UNICEF, which receives Sida-funds.

²⁵ This timetable has been provided in the context of the EU’s Governance Matrix.

The electoral law was revised in 2006 in a way which reduces the scope for fraud but, the proposed quota of at least 30% women on all candidate lists was rejected by the parliament²⁶.

2.5 Economic trends, structural reforms and budget execution

During 2006, rainfalls have been good, on average. Rains started early (in April), stopped for a while in June and July but returned in sufficient quantity in August and September. Forecasted cereal production is thus good, with an increase of 14% compared to 2006. Cotton prices have gone up slightly but suffer from an unusually high Euro to Dollar exchange rate (as per December 06) and overall cotton production is lower in 2006 than in 2005. Mali's gold production has reached record levels and world market gold prices are all time high. During 2006, two thirds of Mali's export revenues are expected to come from gold extraction. There are also rumours about positive results of ongoing oil and gas exploration in the North. On the other hand, oil prices remain high which weighs heavily on Mali's economy. Taken together, these trends result in an IMF forecast for economic growth in Mali of 5.1% for 2006, which is the same as the last five year average.

However, many of the structural reforms foreseen under IMF's three year Poverty Reduction and Growth Facility (PRGF) program, which comes to an end in June 2007²⁷, are seriously delayed. This includes the restructuring and privatisation of banks, of the water and electricity company, a restructuring of the civil servant pension fund, inter-connection of computer systems for budget execution, etc. The cotton sector reform and privatisation process appears to be on track but the approach taken to restructuring of this sub-sector²⁸ raises questions on its attractiveness to investors and thus how feasible and successful the privatisation will be.

During 2006, Mali qualified for the "Multilateral Debt Relief Initiative (MDRI) through which the WB, IMF and the AfDB have written off Mali's liabilities (a total of USD 1.9 billion). This will result in a lower debt service ratio and thus increased budget space for poverty related expenses.

As per the latest IMF mission (in November 2006), budget execution has been high (around 90%) on the expense side but, as usual, Mali is quite below target on the revenue side, primarily because of shortfalls on customs and tax revenue. The persistence of revenue related problems reduces the credibility of the proposed 2007 budget, which displays a considerable increase in projected domestic resource mobilisation and thus in the overall expenditure. In the context of the new PRS (2007 – 2011), Mali has committed to reaching the WAEMU norm of 17% fiscal pressure on GDP from 2008, whereas at present Mali reaches about 14%.

²⁶ Women's groups explain the resistance in parliament with the fact that they were not sufficiently well prepared, by the President and the political parties, to receive and discuss the issue.

²⁷ Because of the elections in April (presidential) and in July (parliamentary), and the delay in structural reforms, the PRGF period has later been extended till October 2007.

²⁸ This includes: maintaining a central price mechanism; obliging all the ginneries to sell through a joint marketing board, allocation up to 40% of the share capital to the Government and the producers' associations, etc.

The Public Financial Management (PFM) reform program in Mali (called PAGAM) made only limited progress in 2006²⁹. However, a major step towards an improved monitoring framework of the impact of PFM reform was taken as Mali decided to conduct a so called “PEFA analysis”. This was done through a consultants’ team which resided in Mali from September to November 2006. The final report will be presented in January 2007. Indicative results show a mixed picture. For instance, Mali displayed strong performance in the area of budget credibility but weak results in the areas of internal and external audit and timeliness of reporting. Out of the three “donor indicators”, two scored only C and D which are the lowest scores possible.

2.6 Access to Basic Social Services

The state budget has increased considerably from 2002 to 2006, meaning that both the health and education sectors, enjoying a stable share of the total budget, have benefited from increased funding in absolute terms. However, given the high rates of demographic growth (3% per year), this increase in funding may only barely be enough to maintain existing level of “access to basic social services”.

In both health and education, it appears important to delve deeper into the reasons behind the lack of quality and seemingly limited impact of multi-year reforms and important investments. Tentative conclusions point to deficient human resources (especially in rural areas), corruption, behavioural patterns (resistance to modern/Western education and health services) and limited financial means of households.

Education

The education sector reform in Mali has been going on since the early 90s. The first phase was called the “New Fundamental School” (la Nouvelle Ecole Fondamentale; NEF) which was later transformed into PRODEC (the 10 year education sector reform program; from 1998–2007). Despite considerable investments (on average 13% of the state budget over the last five years; recurrent expenditures only), results are so far limited with strong regional disparities. The number of classrooms has increased considerably³⁰ and so have enrolment rates but the gap between boys’ and girls’ schooling³¹ increase and only about a third of the total registered students complete primary education.

In the second phase of the education investment program (PISE II) which Sida/Norway supports via Sector Budget Support (SBS), stronger emphasis is put on secondary and higher education, on vocational training and on pursuing the decentralisation reform which will finally make the 703 municipalities of Mali responsible for constructing and managing their schools. There is strong financial and political donor support for the education sector but it still suffers from a politicised history which goes back to the democratisation movement in Mali at the end of the eighties, if not to colonial times. Corruption in the education system has been debated in national media both in 2005 and 2006. At the official launch of the PISE II investment program (in the region of

²⁹ This includes: a more results-oriented process for budget preparation and execution; re-structuring of the budget department with an integrated, computerised expenditure chain; an enlarged tax base and more systematic domestic resource mobilisation; improved efficiency and transparency in public procurement; an institutional audit of the Ministry of Finance; reinforcement of internal control mechanisms, etc.

³⁰ Although, to a large extent, this has also happened through so-called community schools, funded, constructed and ran by the local community or based on remittances from Malian migrants. This is valid also for the health sector.

³¹ Despite girls’ enrolment rates also increasing, albeit at a slower pace than for boys.

Kayes in August 2006), the Minister of Education committed to address this issue.

Health

The 10 year health sector reform program called the PDDSS (the Social and Sanitary Development Program) covers the period 1998 to 2007. Its launching was delayed so its second phase, PRODESS II, only finishes in 2009. About 6% of the state budget (recurrent expenditures only), on average, has been spent on the health reform. Access to health services has improved considerably through the construction of large numbers of local health clinics (so called CSCOMs). Regional disparities are however big and access to health care is highly deficient (and very expensive to ensure) in rural and remote areas. Since May 2006, caesarean sections are free of charge in an effort to curb the very high maternal mortality rate.

Health sector related indicators, as per Mali's PRS, are making slow progress and most of them lack initial targets. Where they exist, they are below the MDG targets which Mali is unlikely to reach. The fourth Health and Demographic Survey (EDS 4) was completed by the end of 2006 and results are expected in the first half of 2007³². It will provide a deeper and more detailed understanding of the health and demographic status of the Malian population and thus an indication on the impact of the health reform program as well as other contextual or contributing factors.

2.7 The new Poverty Reduction Strategy 2007–2011

Mali held its first ever annual review of the implementation of its PRS in June 2006. Since this exercise meant to feed into the formulation of a new five-year PRS (2007–2011), the review covered the entire period of the first PRS, from its launch in 2002 up till year 2005. Because of delays in conducting a new poverty data survey (ELIM 2006³³), the PRS review focused more on implementation and outcome than on impact. In general, performance indicators progressed very slowly and the analytical basis for assessing performance, and thus the need to adjust current strategies, is weak. Underlying reasons refer to lack of data, limited human resources, unclear institutional frameworks and insufficient focus on results and objectives. This was recognized in the conclusions from the review.

The process through which the new PRS has been developed has been open and transparent, albeit not as broad-based as it should ideally be. After a national launching workshop in January 2006, six thematic groups, including civil society and the private sector, were put together. They developed background analysis on key topics, including the macro-economic context and the national budget, economic growth, poverty trends, decentralisation and sector level policies. This fed into the first consolidated draft (July) which was developed with Malian consultancy support. A national consultative workshop with broad but somewhat confused³⁴ participation was held in August, conveying a strong message

³² However, their presentation might be postponed in light of the electoral context.

³³ ELIM = Enquete Légère Intégrée auprès des Ménages, i.e. « Light Integrated Household Survey.

³⁴ Participation was primarily limited to Bamako-based organisations; the regions and local governments appear not to have been sufficiently involved in the process. The sector ministries tend to be represented by others than those leading reforms and sector support programs, despite the latter being the building blocks of the PRS. Civil society is frequently represented through one organisation which legitimacy is questioned and the donor interventions partly suffered from lack of coordinated analysis.

of the PRS-2 being “work in progress”, open to continuous revision. This approach may provide an opportunity to address, *inter alia*, an over-optimistic hypothesis on growth (on average 7%), which was difficult to question in 2006 given the electoral context, and the lack of a performance monitoring framework, to be re-worked early 2007. The final draft (November 2006) was discussed in the Mixed Donor – Government Commission in November 2006 and subsequently adopted by the Government (December 2006).

In terms of content, the PRS-2 offers clear new orientations. This includes a stronger emphasis on the role of growth for poverty alleviation, primarily via a stronger focus on the “rural productive sectors” but also in terms of on-going structural reforms³⁵, and on food security. It maintains a focus on consolidation of social sector reforms while also pointing to the challenges of the quality of public services and their financial sustainability. It underlines the importance of continued public administration reform, while reaffirming the will to pursue and strengthen decentralisation. Its strengths lie in its increased coherence with the state budget and the MTEFs and in the stated political will to address weaknesses in the first PRS which include domestic resource mobilisation, corruption, legal sector, gender and the environment. Its weaknesses, on the other hand, are its lack of underlying analysis and prioritisation, which turns it into a statement of political ambitions rather than a credible strategy for fighting poverty.

2.8 Donor Harmonisation and the Paris Agenda

Donor harmonisation and alignment are gradually developing in Mali. The Joint Financing Agreements (JFAs) on Sector Budget Support (SBS) in Health and Education (signed in August 2006) has been a major step forward. This was preceded by the signature of a Memorandum of Understanding (MoU) between Mali and seven donors³⁶ on the underlying principles for budget support. The development of a sector program approach (SWAp) in water is likewise well under way.

Mali and its donors reported to the OECD/DAC secretariat on the Paris Declaration Performance Indicators in August 2006. The process was quite confused. Figures from donors and the government were contradictory but at least it got the donors started on discussing the issues involved. Much of the confusion can be explained by the fact that the Malian focal point is based at the Presidency and thus quite removed from the Ministry of Finance or the Ministry of Plan which have the figures at hand. In connection with Mali’s new PRS, discussions have started on developing a Harmonisation Plan with on the one hand a joint donor secretariat and on the other hand a clearer and more operational institutional responsibility for Aid Coordination on the Malian side (most likely at the Ministry of Finance where the PRS Unit is also located).

Another major initiative – which however did not go very far – was the EC’s joint programming approach in Mali (and Ethiopia). The idea was mentioned to the member states in April but the process did not take shape until July–August, with a tight deadline by the end of November (albeit extended). This is far too short a time span for a true joint analysis and programming process. However, despite this failure, serious discussions on complementarities and joint programming have been initiated

³⁵ In cotton, the financial sector, the water and energy supplies, telecommunications, etc.

³⁶ The European Commission, the World Bank, the African Development Bank, the Netherlands, France, Sweden and Canada. The signing ceremony took place in connection with the closure of the sub-regional conference for French-speaking Africa on the Paris Declaration which took place in Bamako on March 29th, 2006.

which hold potential for a future Joint Assistance Strategy (JAS), three to five years from now³⁷. In the meantime, a limited group of smaller, likeminded donors, including Sweden, Denmark and the Netherlands, may embark on a joint strategy formulation processes in 2007 which could prepare the ground for a broader JAS.

In general, the international community is sending strong signals of support to Mali. The EDF 10, which will come into effect in 2008, is worth about half a billion Euro and the Millennium Challenge Account (President Bush's special initiative to support "good performers") was recently signed by President ATT in Washington for a value of about half a billion dollars. In addition, Denmark just opened an Embassy in Mali and will make Mali one of its "concentration countries". The WB has finally approved a so called Poverty Reduction Support Credit (PRSC) which is multi-year budget support instrument with considerably higher annual amounts than its former structural adjustment credits. A number of other donors are contemplating increased allocations to Mali.

³⁷ This will coincide with the next round of either the European Development Fund (EDF) or the World Bank Country Assistance Strategy (CAS) programming cycle.

3. Swedish Development Cooperation – Overall Assessment of the Country

Implementation and Results of the Country Strategy

The Country Strategy³⁸ remains valid in terms of its assumptions, priorities and risks. Its sub-goals are:

- Pro-poor sustainable growth,
- Democratic governance and social development,
- Sustainable management of the natural resources sector.

An overview of progress with regard to these sub-goals is provided in annex 4, which draws the following conclusion: “Mali has made limited progress with regard to poverty alleviation, pro-poor economic growth and access to social services. Trends for further democratic development and respect for human rights appear stagnant, but not reversing, as is the fight against corruption. The political will, or capacity, to implement key reforms can be strongly questioned, but the authorities manage well to maintain social stability and coherence and to absorb external shocks.”

This mixed picture of results should be no surprise in light of the risk analysis made in the Country Strategy. It raised questions with regard to: the real political will to fight poverty; the effects of migrating conflicts in the sub-region; the weak institutions, lack of capacity and widespread corruption which may render development efforts futile; and the limited staffing of the Bamako office.

Implementation of the Country Plan 2006

As per annex 1 and annex 3, a total of MSEK 252 was disbursed to Mali in 2006, out of which MSEK 248 was in the form of bi-lateral development cooperation (the “country frame”) and the remaining MSEK 4 was in the form of humanitarian assistance and via Swedish non-governmental organisations. Out of the country frame, MSEK 64 (26%) came from Norway. This is an 8% increase of the initial country frame but about 20% below total planned disbursements. Annex 3 provides detailed information on disbursements against plan. The main deviations are in the area of natural resources management, where program preparation has taken much longer than expected, and in the areas of HIV/AIDS and poverty analysis, where the Bamako office has not had sufficient staff capacity to pursue program preparation.

³⁸ The present Country Strategy covers the period 2004–2006 and is extended to 2007.

The Country Plan 2006 has been largely implemented as planned. The overall priority of a concentrated portfolio has been met whereas the coordination between the SDC and HQ based sector departments still needs to be strengthened. Continued high turn-over and absences of staff, both at HQs and the SDC, has slowed down work, hampered program related monitoring and dialogue, and put additional pressure on the remaining staff at the SDC. The SDC did not receive partial delegation, as anticipated, in 2006. The QA mission has been postponed till early 2007.

4. Specific Country Program Overview of the Swedish Development Cooperation

Delegated partnership with Norway: Whereas it was foreseen that Norway would increase its annual contribution to Mali and also co-finance general budget support with Sweden, this did not materialise in 2006. Norway's contribution remained at MSEK 64 (compared to MSEK 50 in 2005) and was limited to the three sectors, i.e. democratic governance, education and natural resources management.

Democratic Governance: For lack of staff capacity, the SDC decided to not pursue the preparation of support to the Carter Centre's "Access to Information" project. The other two programs, i.e. UNICEF's program on "Child Protection" and the NGO Partnership program on "Local Democratic Governance" were implemented according to plan.

In the social sectors, the preparation of new phases of support to the health and education reform and investment programs, including the assessment of a new funding modality, i.e. Sector Budget Support (SBS), was successfully carried out. The two programs continue to be implemented via a delegated partnership with the Netherlands. The collaboration between HQs, the SDC and the Dutch Embassy in Bamako was overall very good, despite certain delays in program preparation on the Malian side and challenging questions related to the nature of both SBS and delegated partnerships. During the last quarter of 2006, annual meetings were held as planned between Sweden and the Netherlands, to review progress and results in the health and education sectors.

In the area of Natural Resources Management, significant progress was made³⁹ in the preparation of a program to pilot test decentralised forest management. Intensive consultations led to a change in the proposed institutional set-up (from the Rural Energy Agency AMADER to the Forest Directorate under the Ministry of Environment), which further delayed program design and decision-making. In parallel, and based on SDC's gradually improved understanding of the national institutional context, the proposed design of the "Village Water in Regions 3-4-5" project was questioned on grounds of weak coherence with Mali's decentralisation policy. It led to a mutual agreement with Malian authorities to drop the

³⁹ Much of the progress in the area can be attributed to the new national program officer who took up his position in January 2006.

project proposal and instead focus on the emerging multi-donor Water Sector Program (PROSEA). The latter is progressing, but more slowly than expected. Finally, the planned “reversed” collaboration between Sweden and the Netherlands (with Sweden as the active partner) did not materialise for lack of additional staff resources at the SDC⁴⁰.

General Budget Support (GBS): Slower than expected reforms in general, and in particular in the area of Public Financial Management (PFM), initially rendered uncertain the full disbursement of planned Swedish GBS. However, in November, the Ministry of Finance submitted a request for disbursement of the remaining tranche which Sweden found well justified and approved.

In the area of HIV/AIDS, the SDC initially aimed at exploring possibilities to support civil society organisations, primarily in the areas of “youth and reproductive health” but for lack of staff capacity, both at the SDC and Sida’s HIV/AIDS support team in Lusaka, this never materialised.

Sida’s strategic priorities and dialogue issues have been addressed in different ways. Strategic dialogue on women’s rights (as per the Operational Plan for 2006) could not take place as planned for lack of capacity (at the SDC, the Embassy in Dakar and INFO). However, the SDC has actively participated in and contributed to the debate on women’s rights in different donor coordination fora. The SDC is also considering the idea of short-term support to stimulate media debates on these and other important topics in the context of the upcoming elections.

An anti-corruption strategy for Sida’s work in Mali exists in draft form in both English and French. It will be approved early 2007.

The SDC has contributed actively to harmonisation efforts in Mali, first as the lead of the general donor group (from Oct 05 till March 06) and thereafter as a member of the “Troika” (which includes the former, present and next donor lead) as well as within the framework of EU’s joint programming initiative. SDC has also ensured active participation in donor coordination and dialogue in the PFM area, both in the context of GBS and SBS preparation.

⁴⁰ However, there is an on-going collaboration between Sweden and the Netherlands in terms of co-funding a project focusing on sustainable natural resources management in the Delta area, implemented by IUCN. The project, called PAGEIT, is at a fairly small scale and discussions are on-going with regard to the future priorities of Sida in this area.

5. Office and administrative issues

Staffing

The “West Africa Staffing mid-term plan” which was foreseen in the operational plan for 2006–2008 never materialised although some decisions were made that allows for clearer visibility on the SDC’s future capacity. Regional staffing positions at the SDC Bamako have now been phased out, which is in line with the needs of ensuring a regular presence in national harmonisation processes. AFRA’s leadership entirely changed during 2006 as did the staffing at many HQs posts responsible for contributions to Mali, including in Education, Human Rights and Democracy, the Country Strategist and the focal points for budget support and PFM (new posts).

On the administration side, the SDC now has a complete team with a well functioning internal organisation. Most administrative guiding documents have been put in place, including the Standing Order (“Arbetsordning”). Local Employment Conditions are in a final draft stage and will be adopted before the end of 2006. Thanks to the recruitment of a permanent administrator at the SDC in Burkina Faso, SDC-Bamako can now count on 100% of the Head of the Administration (formerly working 35% for the Burkina office).

Information and communication technology

After major problems in the first quarter of 2006, Sida’s IT services came to Bamako in May 2006 and installed a mail-server. It considerably improved the reliability and efficiency of ITC services at the office and gave the SDC access to Sida’s internal planning and financial monitoring tools and intranet-based support services. However, temporary problems continue to surface and despite good intentions of Sida’s IT-support function, they cannot be remedied as quickly as desirable.

Quality assurance measures

An internal audit was conducted in December 2005. A follow-up mission from HQs in November 2006 concluded that most recommendations had been implemented. A few issues were still outstanding, including the follow-up of housing costs and payment of local employees’ taxes on salary. These measures will be implemented from January 2007, since there are strong reasons to follow the calendar year in these cases.

A HQ mission on corruption in April 2006, lead to the drafting of a Strategy on Anti-Corruption. It has been slightly revised by the SDC and translated into French. It will be formally adopted early 2007.

Annex 1:

Mali Country Report:

Disbursements 2005 and 2006 plus forecasted disbursements 2007–2008
(including Norwegian Funds).

Allocation Frame	Allocation Account	Main Sector	Data			
			Outcome 2005	Outcome 2006	Forecast 2007	Forecast 2008
Inside country allocation	155004 Mali	01 Health	35 001	35 027	35 500	35 500
		02 Education	80 000	100 000	100 000	100 000
		04 HR & Democratic governance	18 021	25 995	24 800	32 000
		08 Trade, business & fin. syst	0	0	0	0
		09 Natural resources&environm.	1 348	1 757	6 600	28 000
		10 Budget support poverty red.	70 000	80 000	80 000	100 000
		11 Other / Admin. Costs	3 438	4 366	5 000	6 500
		11 Other / No sector stated	619	1 149	7 500	12 500
		Total	208 428	248 294	259 400	314 500
		155004 Mali	208 428	248 294	259 400	314 500
		Inside country allocation Total	208 428	248 294	259 400	314 500
Outside country allocation	15561 Non-governmental organisations	01 Health	236	108	0	0
		02 Education	405	337	0	0
		04 HR & Democratic governance	1 632	2 182	0	0
		05 Conflict, peace & security	46	-2	0	0
		07 Infrastructure	10	0	0	0
		08 Trade, business & fin. syst	49	16	0	0
		09 Natural resources&environm.	166	80	0	0
		11 Other	703	759	0	0
		Total	3 247	3 480	0	0
		15561 Non-governmental organisations	3 247	3 480	0	0
		15571 Humanitarian assistance	1 288	-143	0	0
15571 Humanitarian assistance Total	1 288	-143	0	0		
15571 Humanitarian assistance Total	1 288	-143	0	0		
Outside country allocation Total	4 535	3 337	0	0		
Grand Total	212 963	251 631	259 400	314 500		
Out of which: Norwegian Contribution	49 684	64 451	70 000	85 000		
Out of which: Swedish Contribution	163 279	187 180	189 400	229 500		

Annex 2: Country Matrix for Mali: Planned disbursements 2007–2011 (including Norwegian Funds).

Alloc Account Title	Main Sector	Status	Agreem. Period	Contribution ID and title	Resp. Unit	HQ field weeks 2007	Source of field weeks contribution	Description and Planned Strategic Activities per contribution	Forecast 2007	Forecast 2008	Forecast 2009	Forecast 2010	Forecast 2011							
01 Mali	151 HR & Demo	A	200508-200807	72600516 UNICEF Mali 2005-7	726	1	726/EW	Agreement covering two out of four of UNICEF's entire "Child Protection Programme" in Mali partnership with four NGOs: SNV (lead), Helvetas, Diakonia, AEN	6 100 000											
			200510-200806	Local Democratic Governance					18 700 000											
			I	UNICEF Mali 2008-12 (?)					726	2	726/EW	New agreement on UNICEF's "Child Protection Programme" in Mali: from 2008 onwards	7 000 000	10 000 000	10 000 000	10 000 000				
				..... "instead of UNICEF" 2008 - 2012 (?)															
			I	Local Democratic Governance (contin.					726	4	24 800 000	Local Democratic Governance - continuation and expansion (?)	25 000 000	30 000 000	30 000 000	30 000 000	30 000 000			
				11%									12%	11%	11%	11%				
				10%									10%	10%	10%	10%				
			151 HR & Demo Total									24 800 000	32 000 000	40 000 000	40 000 000	40 000 000				
			Percent of current year's total country allocation (incl. budget support)									11%	12%	11%	11%	11%				
Percent of current year's total planned contributions for Mali (incl. budget support and overplanning)									10%	10%	10%	10%	10%							
110 Education	A	I	200601-200906	72000579 Education PISE II	724	1	724	Silent partnership with Holland; Assessment of new phase (PISE II) during 05 - 06; Sida Project Cmtee June 2006.	100 000 000	100 000 000	100 000 000									
			200601-200906	72300217 Mali Health sector support					723	1	723	Silent partnership with Holland; Assessment of new phase (PRODESS II) during 05-06; Sida Project Cmtee June 2006.	35 500 000	35 500 000	35 500 000	0				
			110 and 120 (Social sectors / DESA) Total									135 500 000	135 500 000	35 500 000	0					
Percent of current year's total country allocation (incl. budget support)									59%	51%	10%	0%	0%							
Percent of current year's total planned contributions for Mali (incl. budget support and overplanning)									52%	43%	9%	0%	0%							
4 Environment	A	I	200404-200607 (?)	73000489 IUCN Delta du Niger	733			Project "PAGEIT", focusing on decentralised mngm of natural resources in the Niger delta area; co-funded 50/50 with the NL.	1 600 000											
			200510-200906	73000437 Fuelwood Mali (GEDEFOR / DNCN)					733	4	733/GB	4 000 000	8 000 000	10 000 000	10 000 000					
			I	A "Wetlands program" in the Niger Delta					733	2	733/KP 733/GB	Wetland Convention; involving several partners (CIS, IUCN, Wetlands, etc.). In close coop / co-funded with NL.	5 000 000	5 000 000	5 000 000	5 000 000				
				* Access to drinking water" in the region of Segou (?)																
			P	200701-201112					PROSEA: sector program on access to drinking water	733	2	733/KP	1 000 000	5 000 000	10 000 000	10 000 000				
4 and 140 Environment, Water and Sanitation (NATUR) Total									6 600 000	28 000 000	45 000 000	45 000 000	45 000 000							
Percent of current year's total country allocation (incl. budget support)									3%	11%	13%	13%	13%							
Percent of current year's total planned contributions for Mali (incl. budget support and overplanning)									3%	9%	11%	11%	11%							

Annex 3: Disbursements compared to plan 2005 and 2006 (including Norwegian Funds).

Alloc Account Title	Main Sector	Status	Agrem. Period	Contribution ID and title	Resp. Unit	Description and Planned Strategic Activities per contribution	Country Plan 2005	Actual 2005	Difference comp. to plan in 2005	Country Plan 2006	Actual 2006	Difference comp. to plan in 2006 (per 31/12)	
01 Mali	151 HR & Demo	A	200403-200706	72603055 Diakonia Mali 2004-6	726	Human rights work	2 875 918	2 875 918	0%	2 913 418	2 913 418	0%	
			200310-200706	72603046 Bice Mali 2003-2006	726	Children in distress	892 080	892 080	0%	892 080	892 080	0%	
			200508-200602	72600416 Review Bice	726	Review of Bice planned for 2005, delayed till 2006 and now further delayed...	300 000	0	-100%	300 000	0	-100%	
			200508-200807	72600516 UNICEF Mali 2005-7	726	Agreement covering two out of four of UNICEF's entire "Child Protection Programme" in Mali	6 000 000	803 000	-87%	5 600 000	5 600 000	0%	
			200510-200806	Local Democratic Governance	726	Local Democratic Governance (LDG), in partnership with four NGOs: SNV (lead), Helvetas, Diakonia, AEN	3 000 000	13 450 000	348%	14 500 000	16 590 000	14%	
		P / R		.... Access to Information	726	Pilot activities in the framework of Mali's Public Sector Reform Program (initially implemented by Carter Centre)				5 000 000	0	-100%
				Public Financial Mngm	726	Various preparatory activities in view of Mali's PFM reform program	1 000 000	0	-100%	950 000	0	-100%	
				... temporary support to Diakonia in Mali	726	Additional / temporary support to Diakonia	1 000 000	0	-100%				
							15 067 998	18 020 998	20%	30 155 498	25 995 498	-14%	
151 HR & Demo Total													
Percent of current years total country allocation (incl. budget support)													
Percent of current years total planned contributions for Mali (incl. budget support and overplanning)													
110 Education		A	200501-200606	.... Extension of PISE I	724	Extension of existing agreement with 50% increase of funding level.	80 000 000	80 000 000	0%			
			200601-200906	72000579 Education PISE II	724	Silent partnership with Holland; Assessment of new phase (PISE II) during 05 - 06; Sida Project Cmtee June 2006.				100 000 000	100 000 000	0%	
120 Health		A	200510-200606	.... Extension NL agreement PRODESS I	723	Silent partnership with NL. One yr extension of their existing agreement for PRODESS I	35 500 000	35 001 414	-1%			
			200601-200906	72300217 Mali Health sector support	723	Silent partnership with Holland; Assessment of new phase (PRODESS II) during 05-06; Sida Project Cmtee June 2006.				35 300 000	35 026 530	-1%	
110 and 120 (Social sectors / DESA) Total							115 500 000	115 001 414	0%	135 300 000	135 026 530	0%	

Annex 4:

Goals and Results

Analysis for Sweden's cooperation strategy with Mali 2004–2006.

Overall goal: “To help create opportunities for poor people to improve their living standards”

Results by end-06: Slight improvement in the proportion of poor people living below the national poverty threshold but given strong demographic growth (about 3 %), the number of people living below the poverty threshold remains the same (about 7 million people). Inequality is expected to have increased (no new data), especially between urban and rural areas. No data on the perceptions of poor people themselves. The PRS-1 (2002–2006) target of reducing monetary poverty from 68% of the population to 48% has not been achieved. Estimates by end 2005 put the proportion of the population living below the poverty line at 59%. The new PRS-2 (2007–2011) target is to reduce poverty to 51%. A number of important reforms have been launched¹ which, in principle, should create opportunities for poor people to improve their standards of living but their impact is yet to be seen and measured.

Sub-goal one: “Pro-poor sustainable growth”, i.e. stable, more rapid and environmentally friendly growth.

Results by end -06: Economic growth over the PRS-1 period has been positive and fairly stable at around 5.5% (with exceptions for 2003: 7.4% and 2004: 2.2%) but far from sufficient to cope with the demographic growth (3%) and not particularly “pro-poor”. Economic growth has primarily taken place in the capital-intensive mining sector and only to a limited extent in the labour-intensive agricultural sector. The PRS-1 (2002–2006) target of reaching average growth of 6.7% was not achieved and the PRS-2 (2007–2011) target of average growth at 7% appears highly optimistic, despite increased emphasis on the “productive sectors”. Sweden's preferred modality for supporting this sub-goal has been direct budget support, offering greater budget space for key reforms. However, the pace of reform has been very slow. Concerted donor dialogue and harmonised criteria for disbursement has done little to promote key poverty alleviation reforms (see footnote one).

¹ Reforms expected to directly improve poor peoples' opportunities include the health and education reforms as well as the decentralisation reform. The privatisation of the parastatal cotton company is expected to have both adverse and positive effects on poor people's opportunities.

Sub-goal two: "Democratic governance and social development"; health and education are human rights per se but also tools for men and women, girls and boys to fully participate in the democratic process.

Results by end-06: Mali's young democracy (15 years) is functioning fairly well. Civil and political human rights are generally respected. However, women's and girls' human rights are systematically violated with no or very limited access to legal justice since, on the one hand, international conventions ratified by Mali have not been translated into national laws and, on the other hand, the legal system is weak and subject to widespread corruption which favours the more powerful (i.e. men). The evolution in this area appears to be stagnant over the past 3–5 year period. Sweden gives priority to strengthen the advocacy, capacity building and watchdog role of civil society, primarily at the local level, but yet has to identify/develop tools to measure trends in terms of "improved local democratic governance".

Social development indicators in Mali are among the worst in the world. UNDP's HDI for 2006, building on statistics from 2004, places Mali third from the bottom. Sustained investments in health and education (approx. 10% and 30% respectively of the [total²] state budget 2002–2006) has increased access to primary health care and enrolment rates but the health status of the population improves but very slowly³ and only about a third of the total number of students complete primary education. Sweden, through a delegated partnership with the Netherlands, supports the health and education sectors via sector budget support (SBS). SBS related performance indicators were reached in both 2005 and 2006 but the PRS-1 performance indicators for health and education progressed very slowly (and have no targets).

Sub-goal three: "Sustainable development of natural resources management sectors"; contributing to increased productivity and revenues of poor people.

Results by end -06: Mali remains highly vulnerable⁴ to climate factors and long term climate change, partly because of demographic pressure but also for lack of institutional capacity and deficient attention over a long period of time. A major obstacle to sustainable natural resources management is the delayed process of transfer to local levels, within the framework of the decentralisation process, of the mandate and capacity to manage local natural resources. Inter-ministry coordination is another major challenge. The results indicators in PRS-1 are not quite relevant (only referring to "areas of re-forestation"). Sweden has chosen to emphasise the need for a clearer institutional framework and capacity building of the Ministry of Environment in the area of decentralised forest management. The program has been under preparation for 2005 and 2006 and results can thus not yet be measured.

Special crosscutting emphasis on access by women and girls to power, security, safety and opportunity and on equal rights for women/men and girls/boys.

Results by end-06: This has been a recurrent theme for Sweden in both bi- and multi-lateral donor dialogue with the government, but no tangible results, other than a certain awareness raising and profiling of

² Including both recurrent expenditures and the so-called Special Investment Budget; source: Mali's PRS report 2002–2005.

³ Life expectancy and infant mortality has improved over the past 20 years but Mali remains at the bottom layer of international statistics. New health and demographic data are expected early 2007 but might be delayed because of the elections in April 07.

⁴ Desertification, deforestation, soil degradation, diminishing water resources, air and water pollution, etc.

Sweden, can be pointed to. Civil society advocacy organisation appear unclear about vision and strategy and the political will to challenge traditional values appears very limited, especially in electoral times (2007).

Conclusion: Mali has made limited progress with regard to poverty alleviation, pro-poor economic growth and access to social services. Trends for further democratic development and respect for human rights appear stagnant, but not reversing, as is the fight against corruption. The political will, or capacity, to implement key reforms can be strongly questioned but the authorities manage well to maintain social stability and coherence and to absorb external shocks.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



Sida

SWEDISH INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY

SE-105 25 Stockholm Sweden
Phone: +46 (0)8 698 50 00
Fax: +46 (0)8 20 88 64
sida@sida.se, www.sida.se