

# Evaluation of the Implementation of the Paris Declaration

## Country Evaluation

### MALI

## Executive Summary

### 1 Introduction

Since the mid-1990s, particular attention has been paid to Official Development Assistance. The OECD DAC chose Mali as a pilot country to initiate a review of aid effectiveness. Within this context, several procedures to reform aid were undertaken and institutional mechanisms were adopted by the government and donors. Reports on the aid reform in Mali show that compared to initial objectives, the procedure – which had not achieved the anticipated successes in the 1996-2001 period – saw significant improvement in the 2006-2010 period (see evolution observed in the 2006 and 2010 Public Expenditure and Financial Accountability assessment reports). We can see that the coordination boards established as part of the aid reform have proven important for dialogue, information sharing and donor coordination.

Since 2002, innovations have been noted in development assistance practices in Mali.

In terms of coordination, significant change has been observed since 2002 in connection to the monitoring and evaluation of the strategic framework for poverty reduction (Cadre Stratégique de Lutte contre la Pauvreté – CSLP). Since the CSLP's adoption, the Mali-TFP (Technical and Financial Partners) Joint Commission has met regularly and examined a number of themes associated with the implementation of the CSLP such as education, decentralisation and the management of public funds. However, joint commissions have remained more a place to share information rather than a formal coordination or decision-making body. Yet, significant progress has been noted since 2007 with the implementation of the Paris Declaration.

The periodical assessment of commitments made by stakeholders is a fundamental principle of the Paris Declaration and Accra Agenda for Action, hence this assessment of Phase 2.

### 2 Observations regarding common evaluation questions

In accordance with the Evaluation Study Terms of Reference and Generic Specifications, concise observations regarding the common evaluation questions are presented as follows:

#### 2.1 Context of the implementation of the Paris Declaration

Official Development Assistance comprises all of the resources provided by donors to a country to support its development. Mali has received assistance since the start of its independence. During this time, the assistance provided has considerably increased, expanding from 10 million US dollars per year in the 1960s to 558 million US dollars in 2007. In 2009, the aid granted represented close to 10% of the GDP, corresponding to 45% of the State budget.

The aid granted to a country is characterised by three key factors: volume, form and origin. The volume of aid granted by TFPs is based on the development level of the country, the quality of its governance and its vulnerability to external shocks. However, it can also depend on the economic, financial and sociopolitical situation of each TFP.

Some of the key factors that have impacted aid are various measures adopted by Mali since the adoption of the Paris Declaration in March 2005. These include the Strategic Framework for Growth and Poverty Reduction (2007-2011), adopted by the government in 2006; the Framework Arrangement for budgetary supports, signed by the Government of Mali and Mali's development partners in 2006; the Specific Arrangements established between the Government of Mali and TFPs regarding sectoral budgetary supports in favour of the health (health and social) and education sectors in 2006; the government's adoption of the 2007-2009 National Action Plan on Development Aid Effectiveness in 2007; the adoption by TFPs of the Joint Country Assistance Strategy (2009), a manifestation of the political will of Mali's TFPs to profoundly change the terms of their assistance; and the adoption in 2005 of a national decentralisation policy framework paper (2005-2014) structured around four focus areas: capacity building for territorial communities, improvement of devolution, development of citizenship and development of private service delivery at the local level.

Notable among the factors that influence the implementation of the Paris Declaration are the efforts deployed by the government and TFPs to improve aid effectiveness. Note, for example, the establishment of the Aid Harmonisation Secretariat and the TFPs' Technical Pool. This facilitated the institution of a regular dialogue between the Government of Mali and its development partners.

In terms of significant elements in the area of aid, it should be remembered that in addition to the traditional providers of assistance to Mali (subscribers to the Paris Declaration), other countries also provide substantial support: China, Libya, India, Brazil and Venezuela. Funding from these countries is mainly applied to targeted sectors like agriculture, infrastructures and health.

Another factor that significantly influences Official Development Assistance to Mali is the impact of the energy, food and financial crises on the country's economy. The consequences of the locust crisis in the 2004-2005 crop year led to a loss for the State budget, offset by a grant to ensure the supply of grains to the country. In 2008, the explosion of prices for food products on the international market was contained through tax exemptions on imported food products. TFPs granted compensatory funding through the State budget.

## 2.2 Intermediate processes

Since the implementation of the Paris Declaration, a positive change has been noted in Mali in the implementation of the commitments made, despite lingering difficulties. Following are observations made with regard to the Declaration's five focus areas.

**Ownership:** Regarding the reinforcement of operational frameworks and strategies, we should note that in 2006, a

Strategic Framework for Growth and Poverty Reduction was adopted by the government for 2007-2009; the Medium-Term Expenditure Framework approach was generalised, expanding from four (4) government departments to fourteen (14); the Medium-Term Budget Framework is updated annually; the Aid Harmonisation Secretariat was established.

Results include the fact that representatives of national structures have now mastered the development of the Medium-Term Resource Framework; sectoral ministries have strengthened their capacities by working to improve their budget framework every year; and the common programme for co-localised structures has been given effect.

However, ownership has been and remains a slow and still limited process. It concerns the central government much more than regional or local authorities. Ownership is much more advanced in the education, health and macroeconomic management sectors. The country's timid leadership influences this degree of ownership.

**Alignment:** The Framework Arrangement between Mali and its TFPs expressly provides for the alignment of aid to national priorities: government-led coordination; harmonised terms and conditions between donors based on government strategies and programmes; multi-year financial commitments (subject to achieved performance) by donors, to help the government establish its medium-term macroeconomic and budgetary forecasts; a schedule of donor commitments and instalments compatible with the State budget cycle; provisions for donor assessments integrated in government assessment mechanisms.

Despite these various commitments, difficulties remain: the priorities of some donors and Mali's priorities are not aligned; the refusal by some to use national systems and procedures. The reasons cited relate to the incompatibility of systems and procedures with international standards and the lack of reliability and effectiveness of national systems.

**Harmonisation:** Actions have been taken at the national level to simplify and harmonise procedures, including the following: a first Public Expenditure and Financial Accountability assessment was conducted in 2006; a government Action Plan for the Improvement and Modernisation of Public Finance Management was approved by the government in April 2005 for the 2006-2009 period and for a second phase covering 2011-2015. A second, more recent Public Expenditure and Financial Accountability assessment was just completed; a new government Contracting Code was adopted in 2008 to institute greater transparency and devolution.

Difficulties included the fact that local TFP representation offices are sometimes not in step with their headquarters.

**Results-Based Management:** The introduction of results-based programmes is slow and limited to the sectoral level.

Some sectoral programmes are more advanced (health, education, decentralisation).

Sectoral budgetary assistance entails monitoring mechanisms based on annual performance indicator checklists, technical and financial tracking reports, a review of the sector's public expenditures and an audit report on programme expenditures. Monitoring in part triggers disbursements, based on the achievement of a number of sectoral objectives.

However, it was noted that donors do little to reinforce the assessment mechanisms and tools included in national strategies.

**Mutual Accountability:** The goal is to mobilise a greater number of players (government, TFPs, Parliament and Civil Society) to control aid management and make it transparent. Much effort has been deployed to reinforce transparency in the management of public resources, but efforts are still needed to make control structures and the war on corruption more effective.

### 2.3 Developmental results

Although it may be difficult to attribute the development results observed solely to factors contained in the Paris Declaration, it can be said that the latter contributed to the results achieved. The support of development efforts in Mali through significant aid (around 10% of the GDP) helped maintain an annual economic growth rate greater than the demographic growth rate (3.6% compared to 3.1%). In addition, the incidence of monetary poverty is estimated at 43.7% in 2009, down 3.7 percentage points from 2006 (47.4%). It has dropped significantly in rural areas, decreasing from 57.6% to 53.5% thanks to public investments, particularly in basic infrastructures.

The Government of Mali and its development partners focused on the health, agricultural and education sectors in particular.

## 3 Main lessons and recommendations

The implementation of the Paris Declaration led to some progress, some results on which to build and to reinforce in order to achieve sustainable results in the long term.

### 3.1 Lessons

- a) The following key positive aspects were noted:
  - Reinforcement of trust between the government and TFPs
  - Existence of a permanent coordination framework
  - A developing partnership framework aiming to take charge of all aspects of aid management
  - Although slow-going, the reforms undertaken are considered positive
  - TFPs have tentatively started using national systems and procedures
- b) Weaknesses also persist:
  - Weakness of the aid coordination mechanism
  - Scattered roles of the structures tasked with managing aid and accounting difficulties
  - Weakness of the reporting procedures in place to provide accounts to citizens regarding how Official Development Assistance resources are used

The following was noted with regard to TFPs:

- Insufficient delegation of power from TFP headquarters to their local representation offices
- Low predictability of aid, despite the adoption of the Medium-Term Resource Framework
- Refusal by some TFPs to align to national procedures
- Clear lack of desire to reduce parallel units

### 3.2 Recommendations

The key recommendations are as follows:

- a) To the government:
  - Streamline the ODA coordination and management system
  - Enhance the reliability of data on aid and the budget
  - Reinforce public policy assessments
  - Improve the performance of control structures in financial audits and the war on corruption
  - Increase transparency in the use of public resources
  - Strengthen the powers and capacities of the Aid Harmonisation Secretariat
- b) To the TFPs:
  - Respect the commitments made in the Paris Declaration
  - Enhance the predictability of aid