



**“The Paris Agenda and Efficiency in Mali:  
ownership and new aid modalities”**

by

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## THE PARIS AGENDA AND AID EFFICIENCY IN MALI: Ownership and new aid modalities<sup>1</sup>

A landlocked country, Mali's economy is based mostly on agriculture and is marked by a high dependence on external assistance. It introduced multiparty politics in 1991 as part of democratic reforms, and the country has recently enjoyed relative social and political stability. Mali is very poor and aid-dependent. It ranked 175<sup>th</sup> out in the UNDP Human Development Index; between 1996 and 2005, official development assistance represented 9.3 percent of the national GDP on average, three quarters of the country's Investment Special Budget and 27.6 percent of the state's general budget. The new aid agenda was introduced to Mali in 1999 when the country was chosen as a case study for an OECD/UNDP report on aid effectiveness. Since then, Mali has become a laboratory for the implementation of the Paris declaration in West francophone Africa.

### **From PRSP I to the “second generation” PRSP**

The Malian government adopted the country's first PRSP in May 2002 under President Konaré, only a few months before the presidential election won by Touré. The second generation PRSP was adopted in December 2006. Not much changed in policy process and content between the first and second generation PRSP.

The second generation PRSP appears as a catalogue of poverty-reduction policies with no prioritization. This can be traced to the intervention of line ministries, donors (who wanted to see their own priorities included), and the massive but somewhat disorganized participation of civil society representatives. The first PRSP review had not been completed at the time when the second generation PRSP was drafted. The second generation PRSP was adopted by the Council of Ministers, but the National Assembly was not consulted and local communities were informed about the contents of the PRSP after its adoption.

Some Malian civil servants involved in the PRSP process appreciated the fact that the drafting of the PRSP gave them the opportunity to debate the country's overall development strategy. In particular, the fact that they themselves wrote the document made a big difference to them, including from a symbolic point of view. The Malian PRSPs were not written by the World Bank and IMF but under their close supervision, and the result is not very different from policy recommendations of previous structural adjustment programs. Donor intervention in the PRSP process was very strong at all stages, particularly in budgetary and macroeconomic issues. The second PRSP shifted priorities more towards growth, but this is a common feature across African countries.

In drafting the second PRSP, the PRSP Unit attached to the Ministry of Economy and Finance has benefited from increased financial, material, and human resources. It has expanded from a few civil servants to thirty people, with better working conditions and salaries. But it still lacks the necessary resources to ensure its planning function. The PRSP Unit has no macroeconomist. The Ministry of Economy and Finance has no capacity to undertake such tasks either. Therefore, the country's macroeconomic and budgetary frameworks are mostly inspired by models provided by international institutions. The economic growth model of the second PRSP was elaborated by a consultant hired by the German cooperation agency. Malian civil servants see this model as a 'black box': they do not know what is in it or how it works.

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<sup>1</sup> Isaline Bergamaschi, "Mali: Patterns and limits of donor-driven ownership", in WHITFIELD Lindsay, *The New Politics of Aid: From conditionality to Partnership*, Chapter 5, Oxford University Press, forthcoming. Online: [http://www.globaleconomicgovernance.org/docs/Bergamaschi\\_Mali\\_2007-31.pdf](http://www.globaleconomicgovernance.org/docs/Bergamaschi_Mali_2007-31.pdf)  
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The PRSP experience in Mali shows very limited possibilities for recipient ownership. Government involvement was limited to a thin group of people, the involvement of donors was constant, the pace of the drafting was too speedy to enable political debate, and policy content was in the end very close to previous donor recommendations.

### ***New aid modalities***

In addition to the PRSP, other aid modalities have been introduced recently in Mali with the intention of contributing to better aid management, greater government ownership, aid harmonization and alignment.

Together with education, the health sector is considered to be the most advanced with respect to aid harmonization in Mali. The *Programme de Développement Sanitaire et Social* (PRODESS) is a sector-wide approach established in 1999 as a World Bank initiative. A similar system exists in the education sector (PRODEC)

Another important tool for implementing the Paris agenda is general budget support. A Memorandum of Understanding was signed between the Malian government and donors in March 2006. General budget support accounts for about 10 percent of total aid, 40% of the European Commission's aid to Mali, and its share in the country's total aid is likely to increase in the coming years. Eight donors are providing general budget support: World Bank, African Development Bank, Belgium, Canada, France, European Union, the Netherlands, and Sweden. General budget support, because it goes directly to the national budget, is *de facto* supposed to translate into government ownership and donor alignment. However, the introduction of general budget support requires many conditions and involves risks. Finally, it requires the government to open up the budget process to donors, and provokes the question of budgetary sovereignty.

### ***Coordination and policy dialogue***

The main aid coordination and policy dialogue arenas in Mali are:

- (1) the Joint donor-government Commission, which is headed by the Malian Ministry of Economy and Finance et the leading donor;
- (2) on the Malian side, a '*Mission de Développement et de Coopération*' was created in order to increase aid coordination. But the unit was progressively used as a representative o the country in international organisations outside the country;
- (3) donor representatives meet monthly;
- (4) coordination at the European level between member-states ambassadors during regular meetings;
- (5) a '*secrétariat efficacité*' was created in 2007. It informally gathers representatives from the different Malian institutions in charge of aid management and relationships with donors (Ministry of Economy and Finance, Ministry of Foreign Affairs, the '*Mission de Développement et de Coopération*', line ministries, etc.) It drafted an action plan for the implementation of the Paris declaration, which was adopted by the Council of Ministers in April 2007. It should get a formal structure and status in order to ensure the coherence of the government's action and aid programmes monitoring;
- (6) in March 2007, donors created a technical pool with EU support. This light structure is in charge of aid coordination. It will eventually be the only actor to deal with the Malian '*secrétariat efficacité*';
- (7) coordination arenas in the different sectors.