

BASIC SOCIO-ECONOMIC INDICATORS

Income group - **LOW INCOME** Local currency - **Franc CFA (XOF)**

POPULATION AND GEOGRAPHY

AREA: **1 241 231** km²

POPULATION: **17.1** million inhabitants (2014),
an increase of 3% per year (2010-2014)

DENSITY: **14** inhabitants/km²

URBAN POPULATION: **39,9%** of national population

CAPITAL CITY: **Bamako** (14.0% of national population)

Sources: World Bank, UNDP-HDR, ILO

ECONOMIC DATA

GDP: **27.3** billion (current PPP international dollars)
i.e. 1 597 dollars per inhabitant (2014)

REAL GDP GROWTH: **7.2%** (2014 vs 2013)

UNEMPLOYMENT RATE: **8.2%** (2014)

FOREIGN DIRECT INVESTMENT, NET INFLOWS (FDI): **199** (BoP, current USD millions, 2014)

GROSS FIXED CAPITAL FORMATION (GFCF): **34.1%** of GDP (2014)

HUMAN DEVELOPMENT INDEX: **0.419** (low), **rank 179**

TERRITORIAL ORGANISATION AND SUBNATIONAL GOVERNMENT RESPONSIBILITIES

MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGs
703	49	9	761
MUNICIPALITIES (COMMUNES)	DISTRICTS (CERCLES)	8 REGION (RÉGIONS) ≠ THE DISTRICT OF BAMAKO	
AVERAGE MUNICIPAL SIZE: 24 324 INHABITANTS			

MAIN FEATURES OF TERRITORIAL ORGANISATION. Mali is a unitary country with a decentralized structure of governance. This three-tier structure of decentralization exists since its consecration by the Constitution in 1992, and has been reformed in 2012. The first level of decentralization comprises 703 municipalities, among which 666 rural municipalities composed of villages, and 37 urban municipalities gathering different wards. Above the municipalities are 49 *Cercles*, or Districts, serving as intermediary between municipalities and Regions. As of today, the country has 8 Regions, and the special-status city of Bamako, whose powers are the same of both the districts and the regions', and which consists in 6 municipalities. As the reform is not fully effective yet, the number of regions is not stable and 11 more units should be created at the end of 2018. Each municipality is headed by directly elected councils among which the chief of the executive, called mayor, is nominated by its peers. Regions and Districts have councils with members elected by electoral college made of municipal councilors for the Districts, and of District members for the Region. Local governments are also represented at the central level through the *Haut Conseil des Collectivités Territoriales* (HCCT), a consultative committee advising the government on all matters related to local and regional development.

MAIN SUBNATIONAL GOVERNMENTS RESPONSIBILITIES. According to the Local Governments Code (Law n°2015-047, 2015), recently amended in 2016 to create transition bodies at the local level, subnational entities have both general and exclusive responsibilities. General responsibilities are the same for the overall LGs. They follow a classic scheme in West Africa with the general ability to create and manage local public services as well as development program, land management, agricultural activities management, environmental protection. Specific powers differ according to the type of LG considered. Municipalities are in charge of markets, sport art and culture; pre-school and professional education; primary health care, sanitation and waste management; public transport and communications at their level and water distribution and provision. Districts are responsible for secondary education; health; communication; water provision and distribution. Regions have to coordinate the development actions held by the different local actors and the central government on their territories. They are considered as a key entity for the promotion of economic, social and cultural development since the last reform. They also are in charge of technical education; health; communications and energy. The draft of the Alger Agreement for the Peace and Reconciliation in Mali of February 2015 enlarged their duties to a large scale of matters such as planning, agriculture, commerce, transportation, tourism and basic social services.

SUBNATIONAL GOVERNMENT FINANCE

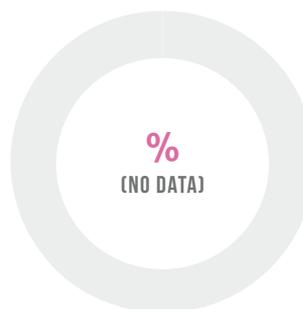
EXPENDITURE	% GDP	% GENERAL GOVERNMENT (same expenditure category)	% SUBNATIONAL GOVERNMENT
TOTAL EXPENDITURE (2013)	2.0%	11.7%	100%
CURRENT EXPENDITURE	1.7%	-	85.5%
STAFF EXPENDITURE	1.2%	21.4%	60.3%
INVESTMENT	0.2%	4.1%	8.9%

LGs spendings remain low in 2012, which could seem logical as the decentralisation reform wasn't implemented at that time. However, latter studies conducted in the countries by the IMF in 2015 has shown that local governments are facing difficulties to implement their new responsibilities.

EXPENDITURE BY FUNCTION

% SUBNATIONAL GOVERNMENT EXPENDITURE

- GENERAL PUBLIC SERVICES
- DEFENCE
- SECURITY AND PUBLIC ORDER
- ECONOMIC AFFAIRS
- ENVIRONMENTAL PROTECTION
- HOUSING AND COMMUNITY AMENITIES
- HEALTH
- RECREATION, CULTURE AND RELIGION
- EDUCATION
- SOCIAL PROTECTION



Most LGs expenditures are dedicated to current spendings, and capital local budgets are very weak. Several elements are raised to explain that trend, and first of all judicial limitations. The implementation of the corpus of legislative texts constituting the decentralization framework has to be backed by specific decrees and regulation to detail the mechanisms of transfer and the resources associated with each competences. As these decrees are often incomplete, they slow down the decentralisation process. Other limitations are financial and technical, LGs lacking the human and technical resources they need to fully implement their new duties.

REVENUE BY TYPE	% GDP	% GENERAL GOVERNMENT (same revenue category)	% SUBNATIONAL GOVERNMENT
TOTAL REVENUE (2013)	1.8%	12.2%	100%
TAX REVENUE	0.2%	1.9%	12.7%
GRANTS AND SUBSIDIES	1.5%	-	83.9%
OTHER REVENUES	0.1%	-	3.4%

Local governments in Mali have relative autonomy to hold a budget and locally raise taxes and charges; the draft of the Alger agreement for peace and reconciliation in Mali states that Mali shall transfer 30% of State resources to local governments before 2018. Despite an increasing trend over the last years, the overall level of Malian LGs revenue is far below the volume observed in other WAEMU countries. The weakness of own-raised revenue is also undermining their financial autonomy, as most part of their resources come from intergovernmental transfers.

TAX REVENUE. Malian LGs tax revenue include personal income taxes (local development tax, ect.); business taxes; amusement taxes; vehicle taxes and additional mining tax, ect. Despite the variety of existing taxation, this resource is insufficient, as the tax bases are weak, and too diverse as they induce difficulties for their collection. Again the lack of human and material means increases the complexity of local taxation and prevents any reliable resources forecast.

GRANTS AND SUBSIDIES. The weakness of locally raised revenue induce a high dependency on intergovernmental transfers. The main grants are coming from the central State, through the *Dotation générale de décentralisation*, used to compensate for the costs induced by de devolution of new powers to local governments. A number of other subsidies are transferred to the local units to fund specific projects.

OTHER REVENUES. LGs also raise fees from royalties, land and real estate, and charges for public services e.g. waste collection fees, registry fees, to a limited extent (only 3.4% of subnational resources).

OUTSTANDING DEBT	% GDP	% GENERAL GOVERNMENT
OUTSTANDING DEBT (2013)	-	-

The local governments in Mali are allowed to borrow to finance investments, however they cannot contract loans directly to external institutions. They can perceive investment grants through the National Agency for Local Governments Investment (ANICT) as enshrined in article 252 of the local governments code.

A joint- study of:



Source of Statistics: Malian Constitution of 27 february 1992 and local governments code • Draft law of finances 2016-2018, Document of budgetary and multi-annual economy programming, Ministry of economy and finance (2016) • Ministry of economy and finance, National Directorate of Treasury and Public Accounting (data from 2012) • G.Rota Graziosi, E.Caldeira, G.Chambas, Mali. Local taxation and decentralization, Public finances department, IMF, 2015 • B.Taiclet, M-L Berbach, M.Sow, Mali. Succeeding fiscal decentralization, Public finances department, IMF, 2015

Publication date: October 2016

With the participation of the AFD country office in Mali and Philippe Assézat, International technical expert seconded to the General Director of Taxation in Mali.