



Mali - Country Joint Assistance Strategy

JAS II - 2016-2018 Period

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List of Acronyms

GBS	General Budget Support
ODA	Official Development Assistance
CREDD	(Strategic) Framework for Economic Recovery and Sustainable Development for the period 2016-2018
MTERF	Medium Term (External) Resources Framework
GPRSF	Growth and Poverty Reduction Strategic Framework
IMF	International Monetary Fund
GoM	Government of Mali
TG	Thematic Group
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
OECD	Organisation for Economic Cooperation and Development
MDG	Millennium Development Goals
NGO	Non-Governmental Organization
CSO	Civil Society Organizations
GAP	Government Action Plan
PAGAM/GFP	Government Action Plan for Improving and Modernizing Public Finance Management
GDP	Gross Domestic Product
JIP	Joint Indicative Programming
SME/SMI	Small and Medium Enterprises / Small and Medium Industries
PRED	Sustainable Recovery Plan
TFP	Technical and Financial Partners
JAS I	Country Joint Assistance Strategy (2008-2010)
JAS II	Country Joint Assistance Strategy (2008-2010)
AHS	Aid Harmonization Secretariat
NSS	National Statistics System NSS
UEMOA	West African Economic and Monetary Union
UNDAF	United Nations Development Assistance Framework



Foreword

Country Joint Assistance Strategy 2016-2018

1. Mali is gradually recovering from the multidimensional crisis that affects the country since 2012. The main challenge of the current period is to establish and consolidate peace and security throughout the national territory as a critical condition for economic recovery and development.
2. This challenge is a major concern of the Government of Mali. It is for this purpose that "Peace and Security" were identified as a prerequisite axis of the new 2016-2018 Strategic Framework for Economic Recovery and Sustainable Development (CREDD), replacing the 2012-2017 Growth and Poverty Reduction Strategic Paper (GPRSF).
3. The 2016-2018 CREDD, a unifying framework of national policies and strategies is therefore an adaptation of the priorities of Mali to the country's new context characterized by the crisis recovery, including the implementation of the Agreement for peace and reconciliation. It aims to "promote inclusive development for poverty and inequality reduction in a peaceful and united Mali, basing on resilience potential and capacities in order to make it possible to achieve the Sustainable Development Goals SDGs".
4. The Country Joint Assistance Strategy (JAS) covering the period 2016-2018 or JAS II is a partnership framework specifying the principles and modalities of development cooperation between the Government of Mali and the Technical and Financial Partners (TFP). JAS II is designed as a joint framework in which the TFP intervening in Mali coordinate their interventions, aligned with the national priorities defined in the CREDD, and based on which they conduct an ongoing dialogue with the Government. JAS II plans to advance as far as possible in setting the framework for a first Joint Indicative Programming during its implementation period.
5. Starting from the coordination momentum initiated more than a decade ago, JAS II follows the political will of donors present in Mali to adapt their aid modalities and modus operandi to the current context and issues, by developing an innovative approach and mechanism for a collective response to peace and development challenges. JAS II follows JAS I (2008-2011), which had led to significant progress, particularly in terms of aid delivery modalities that should be consolidated.
6. Approved by the Government of Mali, JAS II takes a decidedly joint nature both on the initiative and the commitment of Mali and the Technical and Financial Partners. The

success of its implementation and resulting development outcomes derive from both the synergy and pooling of stakeholders' responsibilities

7. The Government of the Republic of Mali and the TFP are aware that the success of the actions under the JAS, to support the priorities identified in the CREDD, depends on a good political, institutional, economic and financial governance and compliance with the rationale of the JAS. Also, monitoring and evaluation of the JAS will be carried out through joint Government/Donors' dialogue frameworks and annual reviews backed by those of CREDD.

The Prime Minister

**The Leader of the Group of
Technical and Financial Partners
Ambassador and Director of the Canadian Cooperation**

Modibo Keita

Marc-André Fredette

List of the Group of TFP

Germany

African Development Bank (AfDB)

World Bank (WB)

West African Development Bank (BOAD)

Belgium

Canada

Denmark

European Union Delegation (EUD)

Spain

United States of America

International Monetary Fund (FMI)

France

Great Britain

Italy

Japan

Luxembourg

United Nations System

Norway

The Netherlands

Sweden

Switzerland

Executive summary

1. Mali is gradually recovering from a multifaceted crisis that started in 2012 and continues to impact significantly the country's economic and social drive. This crisis overwhelmed all stakeholders, questioning Technical and Financial Partners (TFP) on their ability to properly assess the situation and prevent risks of crisis.
2. Since 2013, the implementation of the Plan for Sustainable Recovery of Mali (PRED 2013-2014) presented at the Brussels Conference (15 May 2013) and supported by Technical and Financial Partners, had helped mitigate the consequences of this crisis. But the continuing conflict in the north of the country and the resulting insecurity continued to weaken the country, hampering its ability to deal with the major development issues that are defined in the strategic planning documents of Mali.
3. From on the lessons learned from the Country Joint Assistance Strategy (2008-2011) and the Busan Global Partnership principles for effective development cooperation, the Government and Technical and Financial Partners are committed, based on a shared vision of the institutional, economic, social and environmental context, to implement the Country Joint Assistance Strategy for the period 2016-2018 (JAS II 2016-2018). The overall objective of this strategy is to improve the effectiveness of development cooperation particularly in aligning external support with national priorities.
4. Drawing lessons from the crisis, donors engage in this new phase with the aim not to repeat past mistakes and to put this renewed commitment under the sign of rebuilding the State, good governance, transparency and mutual accountability.
5. Therefore, JAS II is based on a strategic area of support for rebuilding the State and recovering from the crisis. As such, technical and financial partners are committed to support the Government's actions to support the process of national reconciliation and social cohesion, improve institutional and financial governance, promote transparency and accountability. Furthermore, it will also be about supporting inclusive economic recovery and social development, supporting the decentralization and local development process, and taking into account the cross-cutting development issues (demography, gender, environment, etc.). The Conference for the Development of Mali held on October 22 and organized by the OECD in Paris has concretely demonstrated the commitment of the international community to continue its support to the full stabilization of the country's situation.
6. JAS II also comes in two operational pillars aimed firstly to improve the collaborative management of assistance by optimizing dialogue on public policies and secondly to continue improving the ways to deliver aid. The implementation of the operational pillars will contribute to advancing the strategic axis.

7. The first pillar aims to operationalize the harmonized schedule of the reviews, to implement initiatives in terms of strengthening political dialogue and to implement a coherent system of monitoring and evaluation of sector strategies.
8. The second pillar aims to concretely improve the modalities of aid delivery by progressing, whenever possible, toward the eventual preparation of a first joint indicative programming. It will also be about promoting the use of national aid systems, developing joint initiatives among Technical and Financial Partners and improving aid predictability.
9. The implementation of the strategy is operationalized in the appended detailed Action Plan.
10. The successful implementation of JAS II will depend on the full commitment of all stakeholders to the emergence of new consultation and action methods to move towards more effectiveness and concrete results for the beneficiaries.

I. Introduction

I.1. Status of the Document

11. The "Country Joint Assistance Strategy II" (JAS II) is the partnership framework document specifying the principles and modalities of development cooperation between the Government of Mali (GoM) and the technical and financial partners (TFP) for the period 2016-2018. This JAS follows JAS I (2008-2011), which allowed significant progress that should be consolidated. It falls within a particular context of recovery from the crisis for Mali.
12. The JAS is not a programming document and therefore does not replace bilateral or multilateral programming documents already signed, or which will be signed in the future, between the Government of Mali and the relevant technical and financial partners, individually or jointly.
13. The Government of Mali and donors undertake, whenever possible, to honor its principles for developing and implementing future assistance projects or programs

I.2. Goal

14. The overall objective of JAS II is to improve the effectiveness of development cooperation by aligning the actions of technical and financial partners on the country's strategic priorities. It will be about providing a coherent set of actions that contribute to improving the effectiveness of development cooperation.
15. JAS II is designed as a common framework in which TFPs intervening in Mali coordinate their interventions and on the basis of which they conduct an ongoing dialogue with the Government. It also aims to develop a coordinated approach to enhance systems / procedures and national capacities. JAS II plans to advance as far as possible in framing a first Joint Indicative Programming during its implementation period.
16. JAS II action plan will be updated during the annual review of the JAS backed by the 2016-2018 (strategic) Framework for Economic Recovery and Sustainable Development (CREDD), former GPRSF.
17. The JASII development process has associated the GoM, most of the Technical and Financial Partners and other families of players (national and international civil society organizations, private sector, elected representatives) in a structure to validate the document at its various development stages (JAS Team).

I.3. Guidelines

18. JAS II falls into the principles of the Paris Declaration (2005) and subsequent work including those of the Accra (2008) and Busan (2011) conferences. The Busan conference notably stated the willingness to shift from the aid effectiveness framework to that of development effectiveness
19. **PARTICIPATION OF ALL ACTORS.** The Global Partnership for Effective Development Cooperation (GPEDC-Busan) has enabled the inclusion of other groups of players on the basis of shared principles and differential commitments. GoM and donors as well as civil society organizations (CSOs) themselves, will endeavor to promote the active participation of the latter in the new agenda. As part of the JAS I, the GoM and Technical and Financial Partners had made efforts towards non-traditional Technical and Financial Partners to promote their participation in the coordination mechanisms. GoM and Technical and Financial Partners will endeavor to duplicate these inclusion efforts.
20. **ALIGNMENT.** The GoM will submit a single programming framework adapted to the current context of Mali that will set the national development priorities and will include a framework for assessing progress in development. Whenever possible, the Technical and Financial Partners will align their support on the priorities and results frameworks defined by the GoM. Donors will endeavor to strengthen and use national systems and procedures for public finance management when they judge them reliable.
21. **MANAGEMENT OF DEVELOPMENT ACTIONS IN A CRISIS RECOVERY CONTEXT.** Achieving an agreement ending the conflict in northern Mali makes it necessary to strengthen emergency, rehabilitation and economic recovery programs adapted to the security context. The security situation in the North is a hampers Donors' intervention. The experience of international organizations and NGOs in insecure areas should be capitalized and valued. GoM and donors undertake to apply in all their development work, the principles for international engagement in fragile States. They recognize that any intervention has the potential to contribute to peace but also to strengthen hotbeds of tension and undertake to provide differentiated responses according to local contexts.

I.4. Assessment of JAS I

22. The assessment carried out at the end of the implementation period of JAS I (2008-2011) had shown a nuanced picture of the progress made. The progress made by technical and financial partners regarding the use of the public finance management system was limited. The implementation of a coherent strategy for funding the GPRSF had been facilitated by setting a mid-term framework of external resources, specific arrangements related to the general and sector budget support, improved harmonization of budget support triggers and the reduction in their number from 47 in 2008 to 39 in 2009 and to 24 in 2010
23. Finally, the operation of existing consultation frameworks was found satisfactory but can be improved. The Joint Mali-Technical and Financial Partners Committee has particularly experienced unsatisfactory operation (plethora of participants and items on the agenda, too solemn character not allowing true interactions, few decisions made from the framework).

II. Background: Key Development Challenges

24. During the period 2012-2013, Mali has gone through a deep multidimensional crisis that overwhelmed all stakeholders and the continuing action of the Technical and Financial Partners was unable to prevent it. The country's security situation is difficult on an important portion of its territory. The country is facing several major challenges (governance, promotion of sustainable and inclusive growth, access to public quality basic services) that the international community must take into account in its mode of assistance.

II.1. Political and security situation

25. If the direct and immediate cause of the security and political and institutional crises of 2012 and 2013 was the invasion of the north of the country by armed and terrorist groups starting in January 2012, causing a little later the coup in Bamako, these events have revealed the extreme difficulty of the regime to ensure the defense and security of the country. However, the signing of the Agreement for peace and reconciliation in Mali after the Algiers process, that started on May 15, 2015 and ended on June 20, 2015 allowed making substantial progress that resulted in: i) the setting and operation of the Agreement Monitoring Committee (AMC) and its sub-committees; ii) the setting of the National Coordination Committee for the implementation of the Peace Agreement; iii) the setting and appointment of the members of the Truth, Justice and Reconciliation Commission; iv) setting inter and intra community dialogue.
26. Although the transition period has ended, with the establishment of political institutions from elections (a new president elected in August 2013, a parliament elected in November 2013), Mali faces a difficult security situation on an important part of its territory. This situation weakens the country and stopped the return of the

administration and security forces in the north, which started since 2013. Technical and Financial Partners in Mali will have to deal with this security dimension

27. It should be noted that this security situation had a significant impact on the entire population and especially on women who have suffered from violence and the deterioration of their economic and social situation.
28. Insecurity also does not allow the permanent return of the refugees who are outside the country or the people displaced within the country and this hampers economic recovery while seriously affecting public finances with particular emphasis on the needs of security forces
29. Widespread insecurity and attacks against humanitarian actors made it more and more difficult to implement projects. In many cases, NGOs have been forced to temporarily suspend some activities, disrupting the access of affected people to basic social services and limiting the ability of NGOs to monitor initiatives and measure their impacts
30. The 2012-2013 events also highlighted the weaknesses in the management of the State facilitating the outbreak and development of crises: (i) a so-called "consensual" governance that however weakens the State authority and often favors interest groups both in the south and in the north, (ii) the extent of corruption, a widespread phenomenon at all levels of the State (including the army and the judiciary) and of the society, (iii) the strong increase in inequalities (particularly in relation to gender), by the rapid enrichment of people with "cash" situations both within the administration and the private sector, (iv) illegal or criminal activities of drug, migrant and weapon trafficking, (v) a strong culture of impunity.
31. The 2012-2013 crises also very clearly revealed the loss of trust between the majority of the population and a State that can hardly properly meet basic security, economic and social needs. They showed a strong demand for rebuilding the State, its governance and discussing the major issues of public interest.

II.2. Economic, social and environmental context

Economic growth

32. The economy of Mali was strongly affected in 2012 and in 2013 by the security and political crisis that impacted all sectors and adversely affected the continuation of major public work related to the difficulty of mobilizing fiscal resources and external resources. After stagnating in 2012, economic growth rose timidly to 1.7% in 2013
33. The Malian economy still strongly depends on the performance of the agricultural sector which production shows great fluctuations due to weather conditions. It also depends on volatile export commodity prices, mainly gold and cotton.
34. 2014 saw strong economic recovery with GDP growth estimated at 7.2% mainly due to a very good agricultural campaign. In 2015 the Malian economy started to return to its long-term growth rate with a 4.9% growth driven mainly by the performance of primary and tertiary sectors
35. In the short term, changes in the pace of investments (especially in secondary and tertiary sectors) will depend in part on the progress in terms of security throughout the country (particularly in the north) and the consolidation of the country's political stability.
36. In the longer term, it will be determined by the capacity of Mali to fundamentally reform its general business environment, including its regulatory, legal and judicial institutions, to improve fiscal performance to ensure the legal security of individuals and business people, especially in the area of land ownership.
37. The Government should also develop its human capital and production support infrastructures (agricultural development, water management and irrigation, access ways to production areas, roads, renewable energy, telecommunications, etc.). Furthermore, access to credit should be made easier for companies that are handicapped by their low own capital, in particular by improving the collateral systems that are currently unsuited to SMEs / SMIs.
38. In a nutshell, efforts should be accelerated for growth to become a driver of sustainable job creation and reduction of inequalities in a context where on the one hand, poverty has recently gained ground and secondly the population dynamics limits the gains expected from the distribution of the fruits of growth.

Demography

39. The population growth rate observed in Mali is one of the strongest in the world. Mali's population grew from 3.5 million in 1960 to 14.5 million in 2009 and is estimated at 16.8 million inhabitants in 2013. At the current population growth rate, the urban population is expected to double by 2030, and therefore particularly strong pressure on natural resources, the environment and socio-economic infrastructures is also expected.
40. This demographic dynamics lessens the effects of poverty reduction policies and strategies and delays the achievement of "demographic dividend" benefits.
41. To increase the impact of development policies and make public expenditure more efficient, efforts should be made to control the pace of population growth (currently 3.6%).

Gender

42. Unequal chances between men and women, especially in the economic area (access to factors including land, finance and technology) continue to slow down the pace of economic productivity in the informal sector and the rural sector where women are more active.
43. Increasing violence against women is also a concern. Thus, 41% of women reported having experienced physical violence from a male partner and 35% of men reported having committed physical violence against a female partner. Similarly 63% of men (and 41.3% of women!) argue that a woman can be beaten by her husband under some circumstances.
44. The gender issue must remain a cross-cutting priority in the conduct of public policies. The level of representation of women in senior positions is still very low as it is below 20% at all levels. In this context, the vote by the National Assembly of the law on gender representation quota passed in November 2015 is a step in the right direction.

Human Development and Poverty

45. Poverty increased from 50.6% in 2010 to 54.1% in 2014 (Source: World Bank). Every year (source: GPRSF 2012-2017), 300,000 young people enter the labor market and most of them try in vain to get a job. Mali ranks 176th out of 188 in the ranking of the human development index. Life expectancy, estimated at 55 years in 2013, is below the average in the category of low human development countries (59.4 years).

Education

46. According to the 2014 report of the GPRSF review, the gross enrollment ratio of girls that was constantly increasing until 2012, declined in 2013. The overall gross schooling ratio and the gross admission ratio to the first cycle are also declining since 2011 as well as the first cycle completion ratio. The student/teacher ratio increased from 42 in 2012 to 47 in 2013. It is beyond the standard of 40 defined by the Fast Track Initiative (implementation of the Education for All Initiative).

Food Security and Nutrition

47. Despite the measures undertaken by the Government and the technical and financial partners, the food security and nutrition situation remains a concern. Chronic malnutrition rate was 27.5% in 2013, and the prevalence of underweight was 16.9% according to the results of the SMART Survey.

Health

48. While the part of the Malian population with an access to the "minimum package" of health activities (PMA) in a radius of 15 km was 88% in 2010, it decreased to 86% in 2013. This poor performance is also noticeable regarding the vaccine coverage rate for children under one year which reached 100% in 2009 but fell to 89% in 2013. Although the utilization ratio of family planning service has increased from 5.8% in 2006 to 9.4% in 2013, the ratio of assisted childbirth has decreased from 56% in 2012 to 55% in 2013 (it reached 64% in 2009; the average of 2004-2012 was 56.7%). The unmet need for family planning expressed by married women is estimated at 30%.

Access to water, sanitation and electricity

49. Access to water, sanitation and electricity is not guaranteed for the entire population. According to the Joint Monitoring Program (JMP) of MDG 7c, improved water source coverage was 67% in 2012 while improved sanitation facility coverage was only 22%. A third of the population, i.e. approximately 5 million people still has no proper access to water. For sanitation, more than 11 million people are not covered.

50. There is also a wide disparity of coverage between rural and urban areas. For water, the coverage is 91% in urban areas and 54% in rural areas. For sanitation, it is 35% in urban areas and 14% in rural areas. According to 2013 data, only a third of the population had access to electricity with high inequality: in urban areas, two-thirds of the population have access to electricity, while in rural areas, less than one inhabitant out of five (17.5%) have access to electricity.

Environment

51. Ecosystem degradation is detrimental to rural people and the loss of biodiversity has a negative impact on income generating activities. The impacts are most severe on the poorest as they entirely depend on natural resources. This evolution has led to a very poor performance in environmental governance thus ranking Mali 177th out of 178 countries (EPI index, 2014). Population pressure is one of the factors affecting the preservation of natural resources and the environment.

II.3. Official Development Assistance (ODA) in Mali

52. Over the period 2008-2013, the ODA reported to the OECD by all donors amounted to \$ 6.7 billion, current value, or over 3,500 billion FCFA. On a per capita basis, in 2011, aid was around 90 dollars or nearly 47,000 CFAF in Mali. For comparison, this figure was 27,600 CFA francs for Niger, 36,500 FCFA for Burkina Faso, 40,200 FCFA for Rwanda, 41,200 FCFA for Senegal. (*Source: World Bank*).

53. Official development assistance (all instruments considered) represented on the period 2011-2013, almost 12% of the national wealth (GDP) and nearly 60% of the Government's total resources. In 2011, which is in a way the reference in terms of Official Development Assistance (the last three years are considered exceptional for various reasons), 18% of the ODA were issued as GBS, 8% as sector budget support, 40% as project assistance included in the Government budget, 14% to projects not included in the Government budget, 14% to studies and technical assistance, 4% were direct financing to NGOs, local authorities and the private sector.

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55. The 2012 political and security events led to a decline in ODA in Mali. There has been a strong resumption after the Brussels Conference in May 2013, during which a promise of 3.3 billion euros was made by all the Partners of Mali. Over the period 2013-2014, two-thirds of this amount have been released, specifically in the following areas: humanitarian emergencies, peace and security, rural development, health, education.

56. To reduce the dependence to foreign aid, the Government is committed to improve the tax burden through a broadening of the base. This rate increased by 0.5 percentage points between 2012 and 2013 to reach 14.7%. This commitment is consistent with the rationale of the Addis Ababa Summit on Financing for Development held in July 2015. In addition, the Government is committed to developing innovative partnerships

with the private sector and to optimize the mobilization of resources from the diaspora.

57. Mali has formal and functional aid coordination mechanisms (see Annex 4) between the Government, technical and financial partners and other families of stakeholders on the one hand, and among the partners on the other hand.
58. As part of their partnership, the Government and donors have different frameworks for dialogue that have been gradually formalized. These are the GPRSF review which new name is the (Strategic) Framework for Economic Recovery and Sustainable Development - CREDD covering the period 2016-2018-, the Sector reviews including the Joint Budget Review, the extended Prime Minister-Troika Meeting... The functioning of these frameworks is regularly questioned to identify improvement measures so as to set up a regular, more open and increasingly demanding political dialogue with the Government and under its leadership.
59. Consultation among Technical and Financial Partners, which aims to respond in a coordinated and effective manner to the Government's priorities, is materialized through the Annual Work Program of the Technical and Financial Partners' Executive Group for Cooperation (EGC) (part of the JAS) and annual Sector Work Programs carried out by the thematic groups.

III. JAS II strategic guidelines

60. The strategy is built around a strategic area of support to rebuilding the State and recovering from the crisis, and two operational pillars: "Ensuring joint management of aid by optimizing dialogue on public policies" and "Continue to improve the terms of aid delivery". The implementation of the operational pillars must contribute to achieving the specific objectives of the strategic area.

III.1 Strategic Framework for the Development of Mali

61. In accordance with the principles of Busan, aid must be aligned with the strategic priorities of the Government identified in the Growth and Poverty Reduction Strategic Paper (GPRSF) developed in a participatory way (broad consultation between the administration, local elected officials, the civil society, the private sector and the Technical and Financial Partners of Mali). This document, which covers the period 2012-2017, was adopted by the Cabinet on 28 December 2011, just before the outbreak of the multidimensional crisis. The Government is committed to launch in 2015 a process involving the Technical and Financial Partners to review the GPRSF which allowed drafting a single reference document of the Government's priorities: **the (Strategic) Framework for Economic Recovery and Sustainable development (CREDD 2016-2018)**. This document includes the priorities of the various existing strategic frameworks: the Growth and Poverty Reduction Strategic Framework (GPRSF 2012-2017), the Government Action Program (PAG 2013-2018) Plan for the Sustainable Recovery of Mali (2013-2014), Accelerated Development Program for the Northern Regions (PDA/RN), Specific Strategy for the Development of the Northern Regions.

62. The global objective of the 2016-2018 CREDD is to make it possible to achieve the Sustainable Development Goals (SDGs) by 2030, based on resilience potential and capacities to promote inclusive development for the reduction of poverty and inequality in a peaceful and united Mali. The document specifies the relationship between the specific objectives of CREDD and sustainable development objectives. **The strategy comes in 2 prerequisite axes ("Peace, Reconstruction of the North, and Security" and "Stability of the macroeconomic framework"), 3 strategic axes ("Promoting sustainable inclusive growth", "Access to basic social services and social development" and "institutional development and governance "), 13 priority areas and 38 specific goals.** Each specific objective is based on three components: (i) Budget performance with program budgets, (ii) institutional modernization measures, (iii) Fast impact activities.

63. In the light of 2012-2013 events and the causes that led to them, the GPRSF objectives seem both far from being achieved but yet they keep their intrinsic validity. Under the "Transition" (April 2012-July 2013) and the Presidency from the August 2013 elections, this strategy has been complemented by other documents (Plan for Sustainable Recovery of Mali, PRED 2013-2014) and the Governmental Action Plan (GAP) for the period 2013-2018. Both documents which are in fact action plans

describing the GPRSF axes take into account the new challenges that emerged during the multidimensional crisis.

64. **The Sustainable Recovery Plan of Mali** has been used as an aid to the Brussels conference "Together for the Renewal of Mali" of 15 May 2013. It was part of the Roadmap for the January 29, 2013 Transition and covered the period 2013-2014.

65. **The Government Action Program (GAP)** is structured around six priority areas of action for the 2013-2018 period which have been confirmed in the Government's General Policy Statement presented by the Head of Government at the plenary session of the Parliament on May 7, 2014: "the establishment of strong and credible institutions, restoration of the safety of people and goods throughout the country, the implementation of an active national reconciliation policy, rebuilding the Malian education system, building an emerging economy, the implementation of an active social development policy.

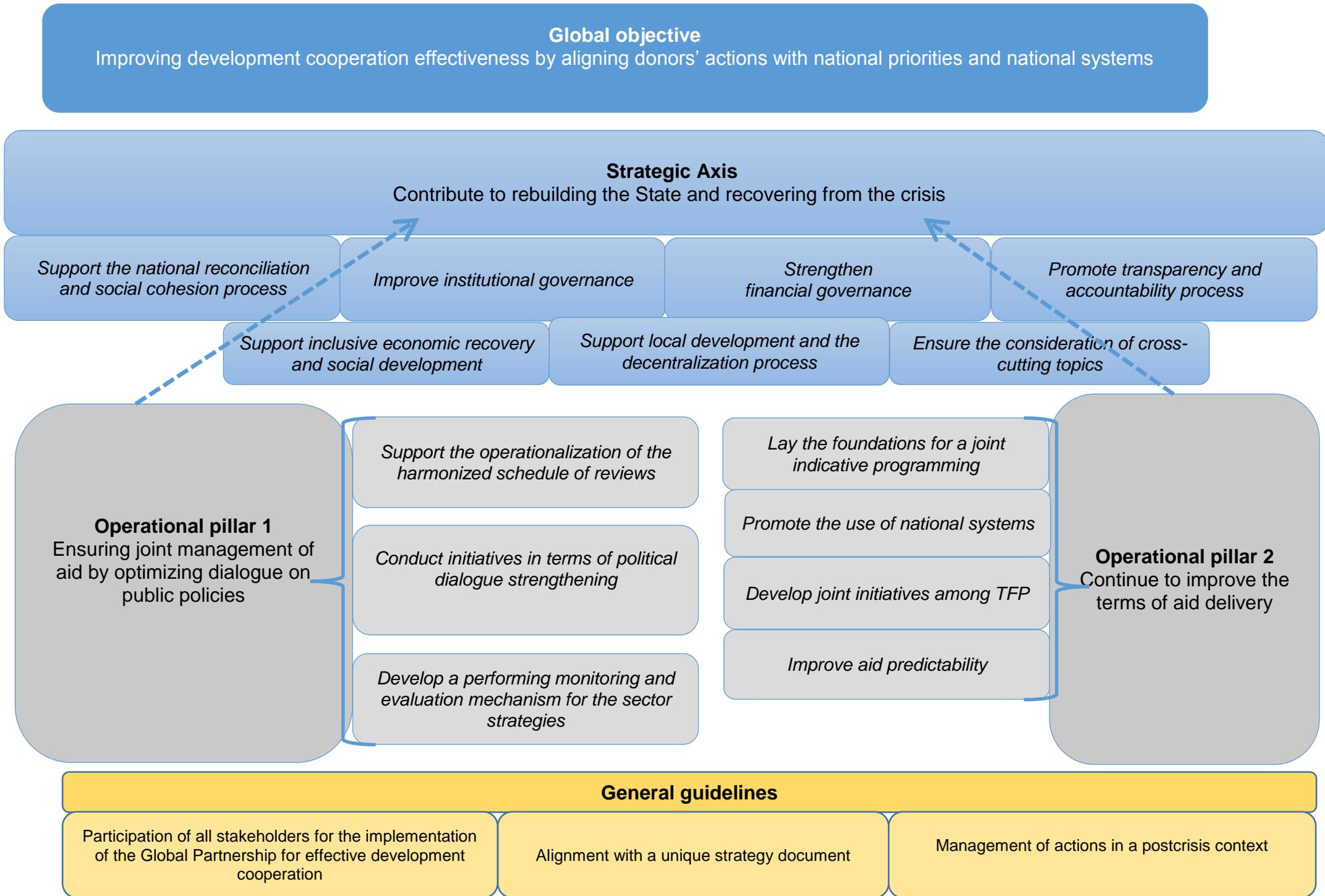


Figure 1: Pattern of the JAS

III.2. Strategic axis of JAS II: Contributing to rebuilding the State and Recovery from the Crisis

66. The joint action of the technical and financial partners shall support the government dynamic for rebuilding the State and recovering from the crisis. Several specific objectives have then been defined. The guidelines are about supporting the process of national reconciliation and social cohesion, improving institutional and financial governance, considering cross-cutting issues, further considering the process of transparency and accountability, supporting sustainable economic recovery, and supporting the decentralization and local development process.

⇒ Supporting the national reconciliation and social cohesion process

67. Donors commit to take part in the development momentum promoting national reconciliation, as part of the commitments that are formulated in the Agreement for Peace and Reconciliation in Mali from the Algiers process. Structuring programs and projects funded from domestic and external resources will be implemented to improve the well-being of people and strengthen the national reconciliation and social cohesion process in the country and especially in the northern regions of Mali.

68. The security situation must bring all development stakeholders to reflect on the factors of the crisis and rethink their interventions to ensure that their development strategies do not feed on conflict dynamics, but contribute to the establishment of sustainable peace and inclusive development.

69. Greater coordination of humanitarian and development activities will be sought. This will ensure that projects undertaken in a humanitarian context in a short-term logic move towards a transition to align with a longer-term development process.

70. Greater participation of the beneficiaries, of entities representing local and decentralized authorities should also be sought in order to meet the aspirations of ownership of their development by people all over the country.

71. The contribution of women should be strengthened in the mediation process at local and national levels, in post-crisis reintegration efforts and in transitional justice. In this context, the adoption by Mali of the National Action Plan (2015-2017) of Resolution 1325 of the United Nations on Women, Peace and Security is a major step forward.

⇒ Improving institutional Governance

72. Institutions are at the heart of the process of rebuilding the State and recovering from the crisis. The implementation of a new institutional development plan for which the Commission for Institutional Development plays a leading role is expected to modernize and improve the quality of the institutional mechanism.

73. Technical and financial partners are committed to support the implementation of these policies. This institutional modernization process will be materialized, inter alia through provisions allowing shortening and simplifying administrative procedures, by applying a code of ethics and professional conduct of public officials, and through a program for building the skills of elected representatives and of the National Assembly structures.
74. The adoption and implementation of the national results-based management policy, and the implementation of program budgets should allow improving the quality of public policies.
75. The institutional mechanism for dialogue and accountability between the State and civil society organizations must also be revitalized, and the participation of women in the various levels of governance in Mali must be promoted.

⇒ **Improving financial governance**

76. Improving financial governance is a critical condition for improving policy outcomes and maintaining adequate mobilization of Technical and Financial Partners. Technical and financial partners who are active in the field of public finance management will ensure support to the Government in the implementation of the Government Action Plan for Improving and Modernizing Public Finance Management (PAGAM / GFP) that must be evaluated according to the PEFA (Public Expenditure and Financial Accountability) methodology. Civil society involvement will be sought in the monitoring of the reforms relating to public finance management.
77. The objective of improving financial governance is at the heart of the triennial arrangement of the Extended Credit Facility between the Government and the International Monetary Fund which is subject to regular monitoring leading to a series of recommendations. In case the required reliability of public finance management systems would be considered partial, incomplete or non-existent, donors will endeavor, on the one hand to support the GoM in implementing corrective reforms and will have their practices evolved accordingly.
78. Technical and financial partners will support the Government's action in the implementation of UEMOA public finance guidelines. Implementing these guidelines will allow improving the quality of the preparation, execution and control of public finance, with particular emphasis on transparency and budget performance, thanks in part to the deployment of program budget.
79. The Government is committed under UEMOA community guidelines, to adopt the program budget. To his end, it decided to introduce program budgets starting with the 2017 Finance Act. The inclusion of these program budgets will also enhance dialogue

with technical and financial partners and ensure consistent monitoring of sector strategies.

80. The gender-related planning and budgeting process in which the State is committed under the leadership of the Ministry of Economy and Finance will be developed.

81. Moreover Technical and Financial Partners undertake to work to streamline and ensure consistency of the terms and conditions of budget assistance through the development of a multiannual indicative trigger matrix

⇒ **Promoting the transparency and accountability process**

82. The authorities have planned the implementation of a national transparency policy and the establishment of a platform for public access to information on the management of public affairs (Information System on Transparency in Mali - SITMA). Such information will be on policies, programs and projects, macroeconomic and sector indicators, revenue and public expenditure, procurement and contracts, administration and human resources management acts including control reports, administrative procedures.

83. This transparency policy also concerns the data on official development assistance. Technical and financial partners are committed to provide to the Government of Mali the relevant information for programs which management is not ensured by the administration

84. It is also about providing the public with accurate and updated information on the implementation of cooperation activities. This responds to mutual accountability requirement (which is a principle of the Paris Declaration), with respect to both the Malian beneficiaries and the taxpayers in donor countries.

85. In order to inform the general public, international aid could be the subject of debate and discussion on the occasion of an Annual International Aid Day in Mali under a format to be specified.

86. Necessary IT tools will be developed, including the production of a database incorporating the geographical referencing of cooperation activities from the site www.maliapd.org. The aim is to comply with the International Aid Transparency Initiative.

⇒ **Supporting inclusive economic recovery and social development**

87. The joint action of the technical and financial partners must help to support the Government in its efforts to boost inclusive economic recovery. The various infrastructure development programs will allow better connecting territories and supporting economic regions (agricultural production areas, markets, etc.). It will also

be about improving the business environment and developing the competitiveness of enterprises, especially small and medium enterprises that have a strong job creation potential. The implementation of a tax policy promoting the development of the private sector is also essential to boost inclusive economic growth. Emphasis should also be placed on youth and women employment who are more hardly affected by unemployment and underemployment.

88. Access to quality social services requires a critical importance especially in terms of improving access to health, education, social protection, water, electricity, and sanitation.

89. Emphasis will be placed on the rural sector and the informal sector where women are most active, although they have limited access to productive resources (land, inputs, capacity, etc.). The Government of Mali will ensure that gender is considered in public policies with the support of those donors who have a specific expertise.

⇒ **Supporting local development and the decentralization process**

90. Decentralization represents a major challenge for the consolidation of Malian institutions in terms of democracy, through the effective participation of people in the decision-making and control process, but also to boost the development process at locally. This major orientation of the Malian authorities was clarified during the General Summit on Decentralization (2013). Decentralization is, moreover, an important part of the crisis recovery process in northern Mali.

91. Regionalization will be a major change in the administrative and territorial organization of Mali. As such, it will necessarily have a significant impact on the organization of the terms and conditions of aid delivery in Mali.

92. Furthermore, the authorities are committed to increase the share of budgetary resources allocated to local authorities (objective of 30% by 2018). Donors and the Government of Mali will conduct the necessary assessments in this regard. They particularly agree to investigate the best ways to have the budgets of local authorities benefiting from external resources. In parallel to the increase of resources allocated to local authorities, they should be supported beforehand so as to build their technical capacities and their governance in the implementation of local public policies.

⇒ **Ensuring the consideration of crosscutting issues**

93. In addition to the cross-cutting issues that have been identified in the growth and poverty reduction strategic framework (gender, targeting the poor and "greening"), the fast growing population (and its implications for urbanization, youth employment, land development) is an issue to consider in order to create the necessary conditions to accelerate the momentum of economic growth and the benefit of a future demographic dividend. The various reviews and consultation frameworks that exist among

Technical and Financial Partners and between Technical and Financial Partners and the Government shall address these issues, by closely involving civil society actors.

94. More specifically, assessing aid effectiveness, and economic or development policies should incorporate gender-sensitive indicators, as provided for by the Paris Declaration and the Accra Action Plan.

III.3. Operational Pillar 1: "Ensuring joint management of aid by optimizing dialogue on public policies "

⇒ Supporting the operationalization of the harmonized schedule of reviews

95. The Government has put in place a system of reviews (projects/ programs, budgets/program and sectors) which objective is to monitor the implementation of sector policies. The findings of the sector reviews are used as a basis for the review of CREDD (e.g. GPRSF) which itself must feed the Finance Act preparation process. The IMF review, TFP-GoM bilateral reviews on their respective portfolios and the joint budget review that meet specific objectives complete this mechanism.
96. The Government has developed and implemented a mechanism called "Harmonized Schedule of Reviews" (cf. circular letter from the Minister of Economy and Finance No. 000056 MEF / SG 9 January 2014).
97. It will be necessary to ensure the implementation of the harmonized schedule of reviews, the improvement of the content by strengthening the system of statistics, and by reducing bilateral portfolio of journals, subject to compliance with donors' procedures when the sector reviews are judged more efficient.
98. Donors will endeavor to avoid cooperation program review missions during the budget preparation period.
99. Sector reviews should examine the national sector programs with which the programs and projects of sector's donors should align, and contribute to the development of program budgets.

⇒ Conducting initiatives for strengthening political dialogue

100. The situation analysis reveals multiple monitoring and dialogue frameworks. It will be necessary to investigate all options for simplifying the frameworks for dialogue, and reducing transaction costs for both the government and aid agencies on the ground.
101. Some modifications of the mechanism for dialogue between the State and the Technical and Financial Partners are to be investigated. Monitoring of CREDD (ex GPRSF) and of the Institutional Development Plan requires the involvement of the

supra ministerial level, more specifically, the involvement of the Prime Minister's office. The framework for dialogue at the highest level, with partners should be the extended Prime Minister / Troika Meeting (which will be done based on topics considered and opened to Ministers, Thematic Groups Coordinators according to the agenda).

⇒ **Developing an effective monitoring and evaluation mechanism for sector strategies**

102. Monitoring frameworks of the country's development policies should focus on results that are identifiable and measurable. The reformulation of the GPRSF, together with a unique result framework was a prerequisite. Monitoring will no longer be on indicators of inputs or processes (e.g. fundraising, drafting of texts, setting up a committee or the conduct of specific activities) but on results. The management approach focusing on results and placing the interest of citizens and their satisfaction at the center of the public action must be generalized. To progress in that direction, the field experience of civil society organizations will be particularly valuable. The implementation of program budgets planned for the initial 2017 Finance Act will materialize this results-based management, and will also allow strengthening dialogue between the GoM and donors and ensuring a consistent monitoring of sector strategies.

103. In addition to the thematic groups, mixed quarterly sector meetings under the authority of the Government should be established (like what already exists at the level of PAGAM / GFP, of the Education partnership framework, the thematic group "Decentralization and Institutional Development" or the Irrigation subgroup).

III.4. Operational Pillar 2 " Continue to improve the terms of aid delivery"

⇒ **Laying the foundations for a joint indicative programming, an evidence of alignment with national priorities**

104. JAS II offers as an objective to volunteer Technical and Financial Partners, the development of a Joint Indicative Programming (JIP) to ensure the commitment of a large majority of Technical and Financial Partners on the next JAS round (post 2018). The experience of the Joint European and United Nations System Programming through UNDAF will be capitalized and discussed to help lay the foundations for the future joint indicative programming.

105. From the joint analysis of the development and reform strategy of Mali, the orientation of the programming will aim to ensure, to the extent possible, the synchronization of the programming cycle with that of Mali and the identification of priority areas of intervention.

106. The JIP will also be developed with the aim to rationalize division of work among Technical and Financial Partners and between Technical and Financial Partners and the State. The division of work involves an assessment of the comparative

advantages of each Technical and Financial Partner by the Government of Mali in light of its development priorities. This was the subject of a specific study by the Technical Pool of donors and it will be appropriate to update it in line with the thirteen priority areas of CREDD. On this basis, the Government should, to respond, ensure that the distribution of Technical and Financial Partners in the various priority areas of CREDD, both in terms of presence and in terms of financial resource allocations, significantly contributes to achieving CREDD objectives.

107. The JIP principles could be: (i) joint identification of aid concentration sectors, (ii) synchronization of the programming cycle with that of the partner country, (iii) identifying priority areas of intervention and mapping of donors according to sectors or strategic pillars of the SRP, (iv) inclusion of indicative financial allocations per sector and donor; (v) division of work from the desire of positioning and from the evaluation of the comparative advantages of each Technical and Financial Partner, (vi) taking into account the geographical and regional dimension, to avoid a concentration of interventions in some areas and gaps in others, (vii) joint risk analysis, (viii) principle of participation on a voluntary basis of each donor in this exercise, (ix) joint missions.

108. The joint indicative programming will be part of an iterative and adaptive process that will allow making regular adjustments based on changes in national major issues and significant measures, on the sector positioning of Technical and Financial Partners, on new priorities and lessons learned from the implementation of JAS II.

⇒ **Promoting the use of national systems**

109. The Government and Technical and Financial Partners undertake to facilitate the use of country systems for aid management: national audit procedures, use of national budget execution and financial reporting procedures, national procurement procedures, etc.

110. The ownership of projects should, to the extent possible, be ensured by the national structures so as to promote the use of national public finance management and procurement procedures. Waivers in this area must be justified.

111. To achieve modalities of aid enabling the alignment with national systems and procedures, Technical and Financial Partners should to the extent possible, use the common mechanisms when they are introduced in a given sector.

112. Budget support should be considered as the preferred instrument in any sector having reached the stage of sector approach for the Technical and Financial Partners whose policies and procedures allow it. Budget assistance to support local authorities is an option to consider as part of the support to decentralization.

⇒ Developing joint initiatives among Technical and Financial Partners

113. One of the major interests for developing joint initiatives is to reduce the transaction costs of cooperation for the GoM and the technical and financial partners. These include promoting joint missions and studies.
114. Regarding project supports, pilot experiences of joint steering committees for projects in the areas to identify should be conducted.
115. A study will be conducted on practices relating to incentives for civil servants that will enable having a clearer analysis of the practice of per diems and other forms of remuneration, particularly for staff recruited within the administration by agencies / cooperation operators.
116. External financing massively contributes to the production of data and knowledge that are insufficiently disseminated and shared (reports, evaluation, capitalization, etc.). The planned actions will be to set up a shared database to systematically publish all studies, reports made by technical and financial partners on the site: www.mali-apd.com. A schedule of the various planned missions of the headquarters will be made first for sharing them and also for their rationalization.

⇒ Improving aid predictability

117. Aid predictability involves favoring the inclusion of Technical and Financial Partners' contributions under multiannual programs. The actions necessary to deal with this involve (i) the annual update of the Technical and Financial Partners' financial data in the Medium-Term External Resource Framework covering the period of CREDD - ex GPRSF - (CRMT), and (ii) the joint definition with the Government of the budget support triggers in accordance with the provisions of specific arrangements for budget support.
118. CRMT, which is an annual process over a period of three years, must evolve to become a true dynamic database, which is intended to be integrated into the unified system of aid data management. Moreover, the Directorate General of Budget must have a schedule, based on data provided by the Technical and Financial Partners, of annual disbursements of all public investment projects that are integrated into the State budget.
119. Improving the aid predictability and release also means that the Technical and Financial Partners who can, according to their mode of intervention, should favor multi-annual general or sector budget support programs and inform the Government of the disbursement periods as stipulated in the specific arrangements. The budget support matrices of indicators must be agreed so that the indicators are truly

harmonized and their number reduced and that sector indicators do not fall in the matrix of GBS. Specific arrangements should be updated so as to promote the evolution of Technical and Financial Partners toward joint sector reviews.

IV. Mechanism for the implementation and monitoring of JAS II

120. JAS II will be operationalized through the annexed detailed action plan that will be updated annually during the JAS review.
121. Discussions on the implementation status of JASII will be held under the existing GoM / Technical and Financial Partners joint dialogue bodies: extended Prime Minister-Troika meetings, monthly meetings of TG Coordinators and Ministers and Sector Reviews, the Joint Budget Review (JBR). The other families of stakeholders (CSOs, Private Sector, Elected representatives) will be involved in monitoring and evaluation.
122. The annual review of JAS II will be backed by that of CREDD which will allow examining the development results first and secondly the intermediate results/process in terms of conditions. Monitoring will lead to the preparation of an annual JAS implementation rating that will feed the annual report of the CREDD Review.
123. The sub-annual periodical monitoring of JAS II at the level of Technical and Financial Partners will be done as part of: the monthly coordination meetings of the Executive Cooperation Group (ECG) and if necessary at the level of the Group of Ambassadors, the monthly consultation meetings of the extended Troika, the monthly consultation meetings of the thematic Groups, the "quarterly" meetings of the thematic Groups' Coordinators and the Annual Retreat of the Technical and Financial Partners.
124. On the other hand, an independent evaluation of the implementation of JAS II will be conducted at the end of its cycle, including that of the co-localized structures.
125. Co-localized structures (Aid Harmonization Secretariat, the Technical Unit of the Poverty Reduction Strategy Paper, and the Technical Pool of TFP) will actively participate in all monitoring stages. These structures should strengthen their coordination, set up a joint work program to ensure the follow-up of the implementation of the Country Joint Assistance Strategy and prepare its updating.
126. An organizational diagnosis of the co-location mechanism enabling to envision its progress in an adaptation goal to the current context of Mali marked by important changes and facilitation of the government "leadership" will be made as soon as possible.
127. Improving the quality of public policies is the flagship objective of the Government and Technical and Financial Partners' action. This improvement is possible only if the national statistics system is able to ensure the production, availability, updating, reliability and quality of national statistics.
128. To meet this challenge, the Government adopted the 2015-2019 Statistics Development Master Plan that allows redefining the architecture of the national

statistics of Mali and having a strategic benchmark aimed to better coordinate the activities of the domain so as to improve the performance of the NSS. Joint support from technical and financial partners interested in the implementation of this master plan will be sought in order to achieve results-based management which is one of the key principles of aid effectiveness.

V. Consideration of risks

129. The context calls for special attention from the Government and technical and financial partners regarding the occurrence of risks that may impact the implementation of JAS II. Endogenous risks concern the issues of security and governance. Exogenous risks are related to fluctuations in commodity prices and the volume of aid. These identified risks that may impact the implementation of the strategy should be discussed within the various existing consultation frameworks.
130. Internally, security in a great portion of the territory remains the main risk. This risk is multidimensional in the Sahel today.
131. The lack of progress in the fight against corruption, increased decentralization, public finance management, gender equality, preservation of the environment may also negatively impact the implementation of JAS II.
132. At the institutional level, the implementation of the country's development policy will continue to face a lack of trained and competent human resources in various sectors and institutions. The same problem is acute for building the capacities of decentralized agencies, local authorities and civil society organizations.
133. The limited capacities to absorb external resources are also a limit to increasing mobilization of technical and financial partners.
134. Debt sustainability is also a potential risk. It is crucial to maintain the achievements of the Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative (MDRI). With the upcoming introduction of more flexibility in terms of concessionality of individual financing, we must remain vigilant so that the overall concessionality of public funding programs remains acceptable and does not jeopardize the long-term debt sustainability.
135. As to exogenous risks, fluctuations in global prices (gold, cotton, oil, grains) may impact very seriously the macroeconomic stability, growth and disrupt the order of the Government's priorities. This risk is subject to regular monitoring under the Extended Credit Facility with the IMF. Furthermore, the volatility of aid flows could make unpredictable the external resources available to support the implementation of the national priorities. It is planned as part of JAS II to prepare the Medium Term External Resources Framework (MTERF) that will enable having an improved

predictability of aid flows. The Government's commitment to improve the tax ratio should allow limiting the effects of the risk of volatility of aid flows.

VI. Conclusion

136. Despite the multifaceted crises that have shaken the country's stability, Mali was able to start recovering and is trying to trigger a new momentum in its economic and social development process, with the support of technical and financial partners.
137. Because development challenges and citizens' expectations deserved a joint effort of all stakeholders, the Government understood the seriousness of the situation by setting up the PRED and GAP and by launching the Growth and Poverty Reduction Strategic Framework review exercise.
138. Technical and financial partners were able to provide exceptional support to Mali during this period based on the announcements made during the Brussels Conference in May 2013 for the Sustainable Recovery Plan of Mali and will continue their support based on the commitments made at the 22 October Conference in Paris.
139. Although it has been delayed because of the crisis, the 2015-2018 Country Joint Assistance Strategy offers strong and adapted strategic guidance that should allow, based on a shared vision between the Government and the technical and financial partners, to improve the effectiveness of development cooperation. This JAS II is firmly anchored in the new paradigm of the Busan Global Partnership for Effective Development Cooperation.
140. As they are aware of the important issues the people of Mali is facing, the Government and the Technical and Financial Partners under the implementation of the Country Joint Assistance Strategy undertake to work together to ensure tangible and sustained results on the ground for the beneficiaries.