

profile

Number 49, January 2008

Making a difference in Mali: performance and innovation

Mali is a landlocked Sahelian country, with dry land and desert covering 60 per cent of its territory. Poverty remains a major challenge, particularly in rural areas where most of the population is settled. Although for the past ten years GDP has increased at a higher rate than the population, economic performance remains in many respects poor and highly dependent upon two key commodities – cotton and gold – which generate over half of total export earnings. The agricultural sector employs most of the active population, yet it contributes to less than half of GDP depending on the year – a reflection of the major climatic, economic and health risks facing Mali’s peasant farmers.

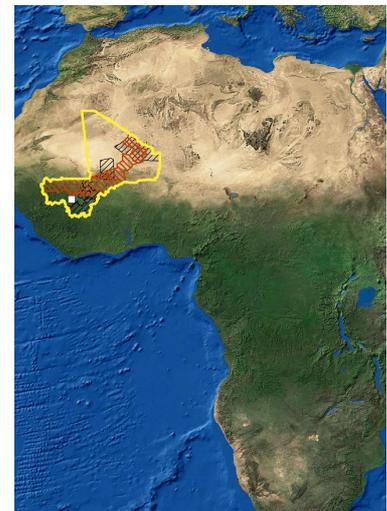
Between 1982 and 2006, IFAD approved ten loans to the Government of Mali amounting to US\$126 million. The total project costs were around US\$280 million when combined with Government and other cofinancier contributions, including the West African Development Bank and the Belgian Survival Fund (BSF). An IFAD Country Strategic Opportunities Programme (COSOP) for Mali was formulated in 1997, and a new COSOP was developed in the second half of 2007.

In recent years, IFAD’s annual expenditure in Mali has been approximately 3 per cent of total external financing devoted to rural and agricultural development. As such, IFAD can exercise limited influence on national policies given the relatively small size of its investments but can play a distinctive role in promoting innovations.

Key findings

The 1997 Mali COSOP defined two priority areas for operations: the Sahelian zone and the sub-Saharan belt. It proposed a demand-driven approach, in which the beneficiaries would be involved in preparing and implementing development actions. It offered a satisfactory degree of understanding of the issues involved in poverty reduction, based on the evidence available in the mid 1990s. At the same time, the COSOP presented some weaknesses concerning the practical issues of identification of partners, and policy dialogue. Since its approval, no COSOP revisions have been undertaken by the Fund. However, significant changes have taken place in the context of poverty and public policies and it would have been beneficial to update the strategy accordingly.

IFAD operations in Mali have generally been relevant to national public policies and strategies. Projects have emphasized basic infrastructure development and production increase, but have not always devoted sufficient attention to cost-effectiveness and produce marketing. Monitoring and evaluation (M&E) systems have been generally weak to be useful as management tools. The formulation of credit components has often focused on creating new rural finance organization structures without taking into sufficient account neither existing institutions and networks, nor the experience of other agencies. Although notable improvements can be seen in the design of the two most recent projects in Northern Mali, it has taken some time to position IFAD



MALI AT A GLANCE

Population: 13.9 million (2006)

Annual Population growth: 2.8% (2001-2006)

GDP per capita: US\$358 (2004)

Agriculture’s share of GDP: 35-45%

Inflation: 1.4% (2001-2005)

Life expectancy at birth: 49 years

Poverty (per cent of the population): 56%

Human development index: 174/177

Total IFAD lending (1982-2006): US\$126 million

Sources: World Bank (2006) and Population Reference Bureau (2006)

KEY RECOMMENDATIONS

- Improved living standards have been achieved in projects when the various components were implemented in an integrated manner – in the same location and in synergy with one another. Hence, the implication for future IFAD operations in the country is that the planning of activities should be undertaken so as to reduce the risk of geographic dispersion and to strengthen concentration and synergies between project activities.**

operations firmly within the national decentralization process and related financing mechanisms.

Interventions have been effective in increasing irrigated areas and establishing basic infrastructures in isolated zones, but less effective in making production profitable, in marketing and supporting grassroots organizations with concrete training and capacity-building programmes. Efficiency has been satisfactory with regard to hydro-agricultural components, but poor concerning rural finance components. In addition, project management costs have exceeded forecasts.

The impact of projects designed after the 1999 COSOP has been more significant compared with pre-COSOP projects. Globally, impact on food security (a major COSOP objective) has generally been satisfactory, as has impact on improvement of health and access to drinking water. Impact, however, is still limited in two other COSOP domains: (a) creating a sustainable participatory village development process; and (b) improving household incomes. Impact has been significant when interventions have been integrated and concentrated in geographical terms, as in the “Zone lacustre”, which had a strong concentration of interventions and synergy among components, for example irrigation, health centres and drinking water in the same communities.

Sustainability is still at risk, due to an often unclear definition of responsibilities for the upkeep of infrastructures and to the fact that little study has been devoted to the cost-effectiveness of productive micro-projects, such as warehouses, shops, soap-making, dyeing units and some pump irrigation schemes. A lack of specialists in Project Management Units (PMUs) in such areas as rural finance, and sometimes even in civil engineering, has reduced the quality of activities. In general, real sustainability possibilities are often overestimated during project formulation, and the search for sustainability starts only at the end of the project, leaving little time to devise exit strategies.

Demand-driven approaches tested in one project have focused on communities making decisions on types of intervention. While attractive, these interventions have suffered from limitations in terms of technical support provided by PMUs. Moreover, operations have been scattered over a large area without a “critical mass” of investment in each community to generate significant impact.



An irrigation scheme for vegetable growing, completed in the context of FODESA, Region of Segou

Overall, the contribution of IFAD’s programme in Mali to innovations has been constrained by the fact that projects have not adequately taken into account the pilot experiences of other organizations (e.g. donors or NGOs) which would have made it possible to identify opportunities and risks at the outset. In addition, there has been limited synergy between IFAD’s grant-financed activities (technical assistance for agricultural research) and loans (investment projects). Technical assistance grants have introduced innovative approaches in supporting farmers’ analysis and management of their plant genetic resources. Such activities, however, have tended to remain localized without a structured process to share and disseminate experiences and, therefore, without replication or scaling up. Innovations could be promoted through better knowledge management, policy dialogue and by developing partnerships with actors able to innovate – agricultural research, extension services, organizations and peasants – each of whom may create or disseminate innovations.

IFAD-funded projects have contributed to the creation of several grassroots peasant and professional organizations; however, support for these organizations has seldom been centred on concrete economic activities. Technical support and training of farmers’ organizations have been entrusted to a large number of service providers with a very fragmented set of specialties. This has had an adverse effect on training quality and effectiveness. It is now a priority to improve technical support systems for grassroots organizations, to enable them to develop concrete economic projects and to become interlocutors of territorial collectivities.

Further information:

Republic of Mali, Country Programme Evaluation, Report #1905-ML, September 2007, Office of Evaluation, IFAD, Via del Serafico 107, Rome 00142, Italy. The full report, insights and profile are available online at www.ifad.org/evaluation; email: evaluation@ifad.org.

The designations employed and the presentation of the material in the map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Moreover, project objectives and plans should be tightly integrated with existing local and regional development and food security plans.

- **Operations have stimulated production, yet have not devoted sufficient attention to upstream and downstream linkages with markets, which has affected their sustainability. Future projects and programmes should first ensure that basic infrastructure is in place and then help create linkages with markets of inputs (seeds, fertilizers, credit) and outputs (processing, marketing, and quality standards).**
- **IFAD needs to acquire a systematic approach to build its capacity for promoting innovations (technical, institutional and organizational).**