

Mali: Building a Better Growth Foundation

Overview

The International Development Association (IDA) is supporting Mali in addressing its economic challenges with a focus on education, health, agriculture, and energy. Thanks to IDA and other donors' support, Mali's gross primary school enrollment rate was 80 percent in 2010, up from 74 percent in 2005, with significant improvement in primary school completion to 58 percent in 2010, but with challenges in terms of learning achievement. Immunization of children under 12 months has remained high, with about 92 percent immunized for DTCP3 (diphtheria, tetanus and whooping cough) in 2010.

There is also improved productivity of targeted horticultural/livestock products and better access to markets, financing, and commercial infrastructure. Basic energy services have been improved and as of December 2011, about 55,900 off-grid connections in households and for public lighting have been made to provide electricity to about 838,000 persons and more than 8,598 households were connected to solar home systems and solar photovoltaic systems were installed countrywide.

Challenge

Mali is a vast landlocked country located in the heart of the Sahel, a region threatened by drought and desertification. The vast majority of the people are directly dependent on the environment for their livelihoods through herding, farming, or fishing. Mali is the largest of the Economic Community of West African States (ECOWAS) countries by land area, with a population of approximately 14 million.

Mali's long-term gross domestic product (GDP) has been about 5 percent on an annual average basis, and has become less volatile despite Mali's vulnerabilities. In fact, rainfalls have been favorable in the last few years and the prices of gold and cotton—the two main export products—have stood at multi-year highs. Real GDP grew at an estimated 5.8 percent in 2010 while inflation was below 3 percent. In 2011, growth estimates are expected to be lower due to the effects of the drought, while food prices are projected to be higher.

MULTIMEDIA

MORE

- › [The International Development Association in Mali](#)
- › [Mali: Energizing Communities](#)
- › [Clean Energy Saving and Brightening Lives In Mali](#)

More Results



According to government estimates and a recent household survey (ELIM 2010), the poverty headcount declined from 55.6 percent in 2001 to 47.5 percent in 2006 and 43.6 percent in 2010. Poverty remains a largely rural phenomenon, with the rural population representing 78 percent of total population. The incidence of rural poverty dropped from 65 percent in 2001 to 51 percent in 2010. Farmers, which constitute 62 percent of the population, are the poorest with a 57 percent poverty rate. Households headed by women tend to be less poor than those headed by men. Extreme poverty has dropped at the national level from 32 percent in 2001 to 22 percent in 2011, with clear regional variations.

Approach

IDA is finalizing a development policy operation (DPO) under the Global Partnership for Education (GPE) to support the implementation of reforms initiated in the education sector, under the third phase of the ten-year education sector program (PRODEC). In addition to the DPO, IDA is finalizing the preparation of an investment operation to support higher education reforms on governance and quality.

IDA is also working with Mali in fostering agricultural productivity by scaling up sustainable water and natural resources management practices. The Fostering Agricultural Productivity Project, approved in June 2010, contributes to ensuring food security and increasing the income of rural producers. The Bank is preparing a new climate change operation to improve the resilience of communities living in vulnerable areas of targeted communes to climate change and variability. Several IDA-financed analytical and advisory activities aim to help Mali overcome challenges and be in better position to adapt to and/or mitigate climate change related effects.

In urban and peri-urban areas, the Energy Support Project (US\$120 million) supports increased access to electricity through the interconnected network, as well as improved reliability and efficiency of supply, and by strengthening and extending the transmission and distribution networks, in and around Bamako, as well as in regional cities. IDA also supports the Félou Regional Hydropower Project, which is expected to bring additional clean generation to Mali in 2013 at a much lower cost than thermal generation. This project also promotes regional integration and energy diversification.

IDA has recently approved a US\$30 million dollar grant to support the health sector in Mali. This project will improve the supply and demand of quality reproductive health interventions.

Results

Improved access and equity in primary education

- The Gross primary school enrollment rate was 80 percent in 2010, up from 74 percent in 2005, with significant improvement in primary school completion to 58 percent in 2010.

Improved productivity of targeted horticultural/livestock products and better access to markets, financing, and commercial infrastructure

- There have been notable increases in exports of key products in quantities and values: mango by 102 percent and 123 percent, shallot/onion by 88 percent and 85 percent, and potatoes by 90 percent for both rates, respectively.
- Approximately 238 investment subprojects and micro-enterprises have been financed to

1,101
km

Rural roads rehabilitated

838,000

Formerly off-grid people now receiving electricity

MORE INFORMATION

- › Country Website
- › Country Brief
- › Country Assistance Strategy
- › Data and Statistics

become profitable small and medium enterprises.

- The number of horticultural and livestock supply chains with improved performance was increased from zero to eight (versus the target of six).
- The volume of produce marketed by the supported supply chain increased up to 93 percent versus the target of 40 percent.
- Access to financing for farmers and other private economic operators in the selected supply chains increased to 782 million francs (CFAF) out of 880 million planned.
- Approximately 1,101 km of rural roads, out of 961 km planned, were rehabilitated.
- Some 125 medium-sized agri-business investors benefitted from credit facilitation to acquire innovative technologies in micro-irrigation, storage, or post-harvest processing.

Improved control and management of locust infestation and pesticide use

- Thanks to the Africa Emergency Locust Project and the Africa Stockpiles Program, an autonomous locust control center has been created with adequate staff and equipment, with operating costs covered by the central government, to ensure close surveillance of locust infestation areas.
- To date, 87 percent of locust infestation pesticide containers have been collected and properly disposed of.
- Approximately 1,100 additional tons of obsolete pesticides have been identified in 250 sites and a grant (US\$3.1 million) from the Multi Donor Trust Fund for the Africa Stockpiles Program, approved on February 1, 2010, will help with removal and elimination.
- Five heavily contaminated sites have been treated and cleaned-up. A pesticides monitoring and control mechanism has been created to monitor imports, transport and use of pesticides, as well as the proper disposal of containers.

Increased access to basic energy services to help achieve economic growth and poverty reduction

- About 80 subprojects of private Energy delivery managed by 46 operators are financed by the Household Energy and Universal Access Project (HEURA)
- As of December 2011, about 55,900 off-grid connections in households and for public lighting have been made to provide electricity to about 838,000 persons.
- In addition, through the HEURA, about 896 public institutions, including 208 schools and 165 health centers, have also been provided off-grid electricity access.
- Women's associations manage multifunctional platform electrification initiatives, which are village diesel motors that combine electricity production with other services such as milling, husking, pumping water, charging batteries, running lights and powering tools.
- To date, multifunctional platforms have been installed in 64 communities.
- Over a period of six years, more than 8,598 households were connected to solar home systems and solar photovoltaic systems were installed countrywide.
- In order to contribute to a sustainable supply of wood fuel, predominantly used for cooking and heating, the project in partnership with the National Directorate of Nature Conservation has placed about 1,142,033 hectares under community management.
- Nongovernmental organizations (NGOs) and local private operators have disseminated

about 1,180,828 improved wood and charcoal stoves and about 60,972 liquefied petroleum gas stoves. The growing use of improved stoves is expected to help reduce indoor air pollution, which is one of the main environmental health risk factors for women and children.

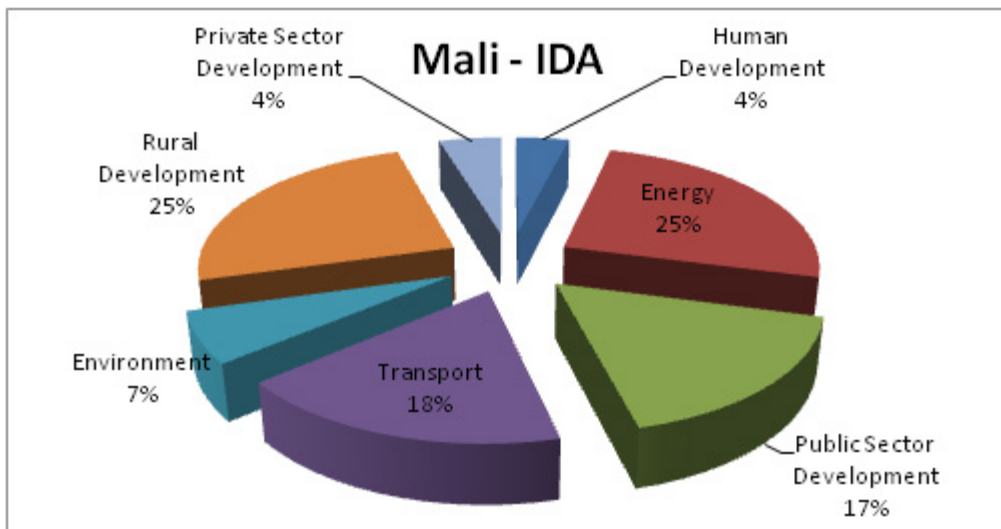
Improved management of natural resources along the Niger River

- Studies have been completed to guide innovative efforts for the restoration of Niger River banks, ecosystems, and pasturelands, and to prevent further degradation of ecosystems while promoting sustainable gardening and recessional agriculture for female associations.

Bank Contribution

Since Mali joined IDA in 1963, total IDA commitments have amounted US\$2.9 billion for 119 projects. As of February 16, 2012, the IDA portfolio in Mali amounted to US\$892.25 million composed of 21 operations, including seven regional operations. A breakdown of the portfolio by sector is as follows (see Figure 1): Energy 25 percent; Transport 18 percent; Rural Development 25 percent; Public Sector Development 17 percent; Human Development 4 percent; Environment 7 percent; and Private Sector Development 4 percent.

**Portfolio in Mali by Sector
(Source World Bank)**



Partners

Since Mali is a pilot for joint budget support, close coordination has been maintained in the context of the Joint Management Action Plan on World Bank-International Monetary Fund (IMF) collaboration. Donors are working together in 10 thematic groups: (1) agriculture and rural economy; (2) infrastructure development; (3) decentralization and institutional development; (4) macroeconomic management; (5) justice; (6) democratic process and civil society; (7) private sector development and microfinance; (8) education; (9) health; and (10) drinking water and sanitation.

A joint Country Assistance Strategy (JCAS, 2008-2011) was adopted by the government and 14 technical and financial partners (TFP), including the World Bank, in December 2009. The JCAS is also aligned with the Growth and Poverty Reduction Strategy Framework (GPRSF) in Mali, and contains an action plan for implementing the principles of the Paris Declaration. In order to enhance aid effectiveness and to strengthen the TFP's coordination role, the World Bank provides continuous technical assistance to the Joint Government-TFP Secretariat and thus monitors the results of the JCAS.

Toward the Future

The economy has shown surprising resilience to international economic shocks in the past few years, growing at around 5 percent with moderate inflation. This resilience was grounded in high and rising gold/commodity prices and good agricultural production due to adequate rains in 2010, enhanced by government subsidies for agricultural inputs. However, the country faces downside risks as the favorable conditions it experienced appear to be changing. Gold production is expected to plateau and then start falling in the next few years. Agricultural production has suffered from drought in 2011 (cereal production is down by 25 percent despite input subsidies from the government) and global cotton prices appear to be softening. The Euro region crisis may affect Mali as members re-evaluate their budgetary priorities. A reversal in terms of trade could affect Mali's macroeconomic outlook and a drop in international support can affect fiscal outlook. Furthermore, the Libyan crisis had immediate as well as medium- to long-term effects on Mali's economy. Libya has important investments in Mali's tourism and financial sectors. The political situation could impact future Libyan investments in Mali. The Turareg rebellion in the north of Mali has affected and continues to have the potential to affect tourism in the region and through the country in the future.

Beneficiaries

Mamadou Diallo, who returned to his country after 20 years of exile, lives in Bananakoro, 13 kilometers from Segou (Center). He invested in land assets all the money he earned from working in restaurants in France. The large estate he bought allowed him to farm, but without relevant advice, his first experiments were unsuccessful until his path crossed with the project. The Competitiveness and Agricultural Diversification Program introduced Diallo to a new method of growing the papaya. "The technical support that I received from the project enabled me to farm one hectare of papaya through the drop by drop system. With manual watering that I used before; I would not have been able to plant one hectare of surface," says Diallo in his field divided into several areas for diversified crops. "If I had not received this help, I could not have set up a watering system that allows moving quickly and farming a much larger area," added the planter, farmer, market gardener and breeder.

For more information, please visit the [Projects](#)