



**U.S. Agency for International Development
Bamako, Mali**

Country Strategic Plan

FY 2003 – 2012



USAID Mali

The text "USAID Mali" is written in a large, bold, blue font with a red outline. It is positioned over a black outline map of the country of Mali. The map shows the irregular borders of Mali, including its northern and eastern neighbors.

**REDUCING POVERTY AND
ACCELERATING ECONOMIC GROWTH
THROUGH PARTNERSHIPS**

JULY 2002

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I. Glossary

AEG	Accelerated Economic Growth Strategic Objective
AID/W	Agency for International Development (Washington Headquarters)
AGOA	African Growth Opportunity Act
AFSI	Africa Food Security Initiative
AIDS	Acquired Immune Deficiency Syndrome
AMARC	World Community Radio Association
APE	Association des Parents d'Elèves (Parent/Teacher Association)
ARH	Adolescent Reproductive Health
ASACO	Association de Sante Communautaire (Community Health Association)
CAP	Center for Teacher Training in Pedagogy
CBD	Community-Based Distribution
CBNRM	Community-Based Natural Resource Management
CMDT	Cotton/Textiles Marketing Company of Mali (parastatal)
CO	Community Organization
CS	Child Survival
CSCOM	Centre de Santé Communautaire (Community Health Center)
CSP	Country Strategic Plan
DAE	Directorate of Education
DCA	Development Credit Authority
DG	Democratic Governance Strategic Objective
DHS	Demographic and Health Surveys
DHV	Development of the Haute Vallée
DPT3	Diphtheria/Pertussis/Tetanus Vaccine
ECOWAS	Economic Community for West African States
E/NRM	Environment/Natural Resource Management
EPI	Expanded Program for Immunization
FFP	Food for Peace
FP	Family Planning
FY	Fiscal Year
GDP	Gross Domestic Product
GRM	Government of the Republic of Mali
GTZ	German Aid Organization
HIPC	Heavily Indebted Poor Country
HIV	Human Immuno-Deficiency Virus
ICT	Information/Communications Technology
IEC	Information, Education & Communication
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
Info/Comm	Information and Communications Special Objective
IR	Intermediate Result
IT	Information Technology
ICT	Information and Communications Technology
MATCL	Ministere d'Administration Territoriale et Collectivité Local (Ministry of Territorial Administration)
MDRE	Ministere du Développement Rural (Ministry of Rural Development)
MFI	Microfinance institution
MOE	Ministry of Education
MOH	Ministry of Health
MPP	Mission Performance Plan
MT	Metric Tonne
NGO	Non-Governmental Organization (usually a national-level PVO)
NEPAD	New Plan for Africa's Development
NPA	Non-Project Assistance (USAID)
NRM	Natural Resource Management

OHVN	Opération Haute Vallée du Niger
OIC	Organization of Islamic Countries
OR	Operations Research
ORT	Oral Rehydration Therapy
ORTM	Office Radio Télévision du Mali
PISE	Program of Investment for the Education Sector
PDDSS	Programme Decennal de Developpement de la Sante (Ten Year Health Plan)
PRODEC	Programme Décennal de Développement de l'Education (Ten Year Education Plan)
PRODESS	Projet de Sante (Five Year Health Plan for Investment Under PDDSS)
PRSP	Poverty Reduction Strategy Paper
PVO	Private Voluntary Organization
RH	Reproductive Health
SEG	Sustainable Economic Growth Strategic Objective
SMC	School Management Committee
SO	Strategic Objective
SOTELMA	Government Telecommunications Company
SpO	Special Objective
STI	Sexually Transmitted Infection
TA	Technical Assistance
UPE	Universal Primary Education
URTEL	Union de Radio et Télévision Libre (Union of Free Radio and Television)
WAEMU	West African Economic and Monetary Union
WARP	West Africa Regional Program (USAID)
Youth	Youth Strategic Objective

II. EXECUTIVE SUMMARY

USAID/Mali is reaching completion of the current Country Strategic Plan 1998-2003, with many activities being terminated by September 2002 and others no later than June 2003. It was extended one year through FY 2003 to allow for a smooth transition into the new strategy. The new Country Strategic Plan 2003-2012 (CSP) consists of four Strategic Objectives (High Impact Health Services, Improved Quality of Basic Education, Shared Governance Through Decentralization, and Accelerated Economic Growth) and one Special Objective (Communications for Development). The Development of the North Special Objective is reaching completion and activities will be carried out in Timbuktu, Gao and Kidal as part of each new Strategic Objective. Please note that numbering of the Strategic Objectives and Special Objective follow sequentially per the convention required by AID/W. Although the new CSP spans ten years, initial approval and funding is programmed for five years, through FY 2007. After the first three years of implementation, decisions will be made on whether to continue all or parts of the CSP for the full ten years.

Firstly, the **High Impact Health Services Strategic Objective (SO6)** is defined as “a program that Motivates and Empowers Individuals and Communities to take Greater Control of their Health”. The purpose of this Strategic Objective (SO6) is to “**Increase Use of High Impact Health Services**” by expanding use of proven, effective health services in order to address the continued high under-five mortality, maternal mortality, and fertility in Mali. To maintain the present low rates of HIV/AIDS, the SO will also support interventions that target populations at high risk of infection and transmission. Given the lack of progress and constraints encountered in the health sector, USAID believes that its manageable interest lies in increasing the use of high impact services. Although USAID will be working towards reductions in mortality and fertility, these are higher-level goals that cannot be attributed to our efforts alone. After three years of implementation, the Mission will review progress and determine if the focus, activities, and geographic scope of the SO should be modified. As major targets for measuring performance, by 2007 and 2012 respectively these are expected accomplishments:

- percentage of pregnant women using insecticide-treated bednets will improve from today's 3% to 30% and to 52%;
- percentage of children (6-59 months old) receiving Vitamin A supplementation will increase from 32% to 45% and to 62%;
- percentage of children (12-23 months old) fully vaccinated prior to first birthday will increase from 21.5% to 30% and to 52%;
- percentage of children (12 months old) who have received diphtheria/pertussis/tetanus vaccine (DPT3) will climb from 34% to 50% and to 62%;
- percentage of children 6-59 months with diarrhea receiving oral rehydration therapy (ORT) will expand from 30% to 50% and to 67%;
- percentage of high-risk population using condoms during last sexual intercourse will increase from 44.8% to 65% and to 80%; and
- contraceptive prevalence rate for modern methods, women of reproductive age, will progress from 5.7% to 8% and to 11%.

The Intermediate Results are:

- **Policy environment for high impact health services established;**
- **Demand for high impact health services increased;**
- **Access to high impact health services increased; and**
- **Quality of high impact health services are improved.**

The purpose of the **Improved Quality of Basic Education Strategic Objective (SO7)** is to “**Improve the Quality of Basic Education for Boys and Girls**” in Mali and to increase enrollment during the next ten years. It is anticipated that SO7 will support the Government of the Republic of Mali's (GRM's) overall goal of universal primary education in three ways: first, by increasing demand for education through improved, more relevant schooling to both girls and boys; second, by increasing the availability of schooling through more efficient use of system resources (fewer dropouts and less repetition due to increased quality); and third, by addressing the needs of both boys and girls through gender conscious curriculum and teacher training. Improving the quality of education will lead to a more literate and numerate population that has a positive impact on indicators of social and economic development. As major targets for measuring performance, these are the expected accomplishments:

- seventh grade entrance exam pass rate is targeted to increase from 49% (girls 38%) to 62% (58% for girls) in 2007 and to 67% (64% for girls) in 2012;
- dropout rate is targeted to decline from 40% (girls' percentage not available) to 30% (36% for girls) in 2007 and to 25% (28% for girls) in 2012; and
- gross enrollment rate is targeted to increase from 61% (50% for girls to 86% (66% for girls) by 2007 and to 93% (86% for girls) in 2012.

The Intermediate Results are:

- **School-based teacher training improved;**
- **Relevant curriculum for grades 1-6 established and implemented;**
- **Community and parent participation in schools increased; and**
- **Use of Education Management Information System (EMIS) data analysis at the regional level increased.**

The purpose of the new democratic governance Strategic Objective, **Shared Governance Through Decentralization (SO8)**, is to “**consolidate a decentralized system of shared democratic governance**”. It is defined as a system of governance bringing all the legitimate actors – state, civil society and private sector-- together as partners in local democratic governance. SO8 is designed to ensure that all legitimate actors participate in the public realm where collective decisions are made and implemented. Decentralization is a system of governance that can only succeed where communities are empowered to manage their own development. The goal is to institutionalize opportunities for participation by placing more power and resources at the local level, where all legitimate actors and stakeholders can play their parts in democratically carrying out community activities. As major targets for measuring performance, by 2007 and 2012 respectively these are expected accomplishments (baselines have not yet been developed and the percentages are estimated):

- percentage of target communes that increase service delivery through private-public partnerships will improve to 40% and 70%;
- target communes expanding their development activities within their authority will grow to 40% and to 70%; and
- percentage of men and women participating in local elections will increase to 50% in 2004 and 60% in 2009 (planned dates for communal elections).

The Intermediate Results are:

- **Participation of key communal-level actors in democratic governance increased;**
- **Macro-political enabling environment strengthened; and**
- **Women’s participation in decision-making at the communal level increased.**

The purpose of the **Accelerated Economic Growth Strategic Objective (SO9)** is to “**increase productivity and incomes in selected agricultural subsectors**” in Mali. The Strategic Objective will build on the current strategy and will focus support on the production and trade of selected commodities for which Mali has a comparative advantage and for which production risks and regional market risks can be minimized in response to investment opportunities. In addition, it will continue targeted assistance to agro-businesses and support to microfinance together with broader bank-financing options through expanded technical assistance, training and institutional financing. Creating a West Africa regional enabling policy environment conducive to economic growth will support all these efforts. Increasing economic growth and reducing poverty are central objectives for USAID and for the Government of Mali. To achieve these objectives, increased agricultural productivity with production risk reduction and trade are essential. Both acute and chronic poverty and food insecurity have plagued Mali for many years. The goals are to reduce agricultural risks through productivity improvement in irrigated food crops for which Mali has a comparative advantage, to increase regional trade and to support natural resource management. All will be key to helping Mali become more food secure and achieve sustainable economic growth and increased income. As major targets for measuring performance, these are the expected accomplishments:

- value of rice production to grow from a base of \$70,324,000 in 2000 to \$91,735,000 in 2007 and \$122,762,000 in 2012;
- livestock production from a base of \$148,354,000 in 2000 to \$180,534,000 in 2007 and \$209,290,000 in 2012; and

- absolute savings from a base of \$19,644,000 in 2000 to \$63,085,000 in 2007 and \$156,968,000 in 2012.

The Intermediate Results are:

- **Sustainable production of selected agricultural products in targeted areas increased;**
- **Trade of selected agricultural products increased; and**
- **Access to finance increased.**

The purpose of the new **Communications for Development Special Objective (SpO10)** is to “**accelerate development by making information accessible through innovative communication techniques and appropriate tools**”. SpO10 will be implemented over a five-year period, providing mechanisms through which USAID/Mali can continue to provide direct technical support to the other Strategic Objectives while simultaneously pursuing newer, more cost-effective ways of disseminating information. The Special Objective (SpO) will respond to numerous requests from the GRM and local associations and development partners for technical assistance in creating and developing information and communication activities, ranging from high-tech Internet-based systems, to more grass roots, radio-based programs. It will provide opportunities for partnerships in the Information/Communications Technology sector. The SpO may be a technical resource for the Mission’s growing twinning and regional responsibilities, in which a growing demand for information technology-related services is emerging. The SpO will provide a programmatic linkage between USAID/Mali and the various USG information and communications technology initiatives that are in place, such as the Leland Initiative, Internet for Economic Development, the Education for Democracy and Development Initiative, and others in the design phase.

The Communications for Development Special Objective will directly address the two main focus areas of the new USAID/Mali Country Strategic Plan: it will help reduce poverty and accelerate economic growth by providing information of practical, developmental value. Entrepreneurs and farmers can become more productive because they should have more information on markets and trade opportunities; people should be better informed on health practices because of informative radio programs. As major targets for measuring performance, from 2003 to 2007 these are expected accomplishments (the Special Objective should be completed by 2007):

- number of new information and communication technologies adopted in Mali will be increased by five; and
- number of new partnerships with the private sector for enhancing communications will be increased by six.

The Intermediate Results are:

- **Quality and quantity of development information enhanced;**
- **Partnerships in the information and communications technology sector established; and**
- **Regulatory and policy constraints to information access reduced.**

II. ASSISTANCE ENVIRONMENT

A. Country Setting

A landlocked Sahelian country with a per capita income of about \$250 and a population of 10.5 million, Mali has a natural resource-based economy in which cotton, livestock, cereals and gold predominate. Mali's arid northern half is unproductive Saharan desert that presently contributes little to economic growth. The Niger and Senegal river basins, in the eastern and western portions of the country, respectively, support a variety of cash and subsistence crops. Large, vibrant, informal trading and commercial sectors characterize urban centers. Mali's chief development challenges are: (a) a growing (3.1% per year), poorly educated population (two-thirds under age 25); (b) a largely subsistence level of agricultural production with limited infrastructure; (c) a fragile natural resource environment; and (d) community-level organizations with limited skills to play effective roles as partners in the establishment of a decentralized government system.

In terms of basic indicators and wealth, Mali is positioned very near the bottom. It is ranked 153 out of 162 countries in the 2001 UN Human Development report. Only two other countries where USAID has a presence ranked lower: Mozambique and Ethiopia. Mali has one of the highest percentages of people living below the poverty line in the world. It has the fourth highest rate of infant mortality and the 13th highest maternal mortality rate in the world. Mean years of schooling, for those 15 years old and above, is the least in the world, with the sole exception of Guinea Bissau.

The World Bank classifies Mali as a severely indebted, low-income country. Despite its difficult debt situation, Mali has had a good performance in economic reform, garnering high praise from the International Monetary Fund. Mali continues to meet targets set by international financial institutions. As a result, the International Monetary Fund and World Bank have supported the Government's request for structural adjustment programs and its eligibility as a "Heavily-Indebted Poor Country" receiving debt forgiveness. Mali is the only country in the region to have lifted all controls on all consumer prices, including those for food and fuel. Mali has made remarkable progress in liberalizing its economy and has laid the foundation for a progressive system of decentralized democratic governance. Mali has set an example within West Africa for political and economic liberalization, which is essential for increased U.S. trade and investment. Mali is a force for stability in the region and has been forthright in its support of the United States.

The record of democratic and economic achievement in Mali is impressive. The decentralization process has empowered local communities and energized civil society. Mali benefits from ethnic harmony and there is good cooperation between locally elected officials and traditional leaders. The North is peaceful and politically stable, although sporadic banditry continues. The presidential election occurred just days before this document was submitted (early May 2002), and resulted in a run-off for May 12, 2002. Although there were administrative irregularities reported, no fraud or process tampering have been noted by international observers. Elections of the National Assembly will follow in June 2002. The country has launched an active process of civic education and voter registration that should lead to a credible, free, and fair election process, which is crucial to the future of consolidating democracy in Mali and therefore important to the USA. The Government of Mali is committed to fighting corruption. In recent months, former ministers have been indicted for misuse of funds and/or position. Mali has been cited by the World Bank and IMF as a "poster child" for economic reform. The government's participatory development of its Poverty Reduction Strategy Paper (PRSP) has been exemplary.

As Mali enters the first decade of the new millennium, the priority areas it must address for its continued development are consistent with USAID priorities and policies which emphasize support for equitable growth, food security, poverty alleviation, reproductive and child health, improved quality of primary education, shared governance, free markets, private investment and trade. The reality of Mali's low social and economic development profile requires that these key areas be tackled immediately, significantly and deliberately, if we want to come close to realizing our vision statement and the GRM's own priorities.

B. Economic, Social, and Political Environment

1. Economic Environment

Mali's recent economic development, beginning with a 50% devaluation of the CFA franc (the West African Economic and Monetary Union (WAEMU) currency) in 1994, has been characterized by different economic trends. The period 1994-1999 corresponded to a relative boom with an annual 5.3% average real Gross Domestic Product (GDP) growth rate. Inflation has stayed at 2%-3% per annum since 1994. The major sources of this growth were: the more attractive export prices due to the devaluation action; good and consistent rains; and increases in the world cotton price (an annual average of 10.4% from 1994 to 1997) and those for gold (annual average of 5.6%) for the same period. Expansion of cotton, gold and cereal production was a major outcome of this growth period. In 1998 and 1999, negative shocks on the cotton world price (-8.3% in 1998 and -22.9% in 1999) and on the gold price (-16.3% in 1998 and -1.8% in 1999), combined with an increase of petroleum prices in 1999 (about 7.6%) and the boycott of Malian cotton producers in 2000 (leading to a 47% fall of the national cotton production in 2001) are the major causes in the slowdown of economy growth in 2000 (with only a 4.3% real GDP growth rate compared to about 7% in 1995 and 1997) and a recession in 2001 (with a 1.5% decline in real GDP). However, several current positive dynamics are conducive to further economic growth in the upcoming years. A 9.3% real GDP growth rate is expected for 2002 with a GDP deflator of around 1.3%. Projections are that the economy will continue to grow, with the GRM targeting 6.7% per annum for the period 2003-2006.

These positive dynamics include, first, the firm commitment of the government to pursue structural, institutional and social reforms for a more liberalized economy and a greater role for private sector initiatives. It includes almost all productive sectors. The energy and water sector was liberalized in November 2000, with a 60% privatization of the national electricity and water company, with the rest to be sold in the near future. Important gains are also being made in the telecommunications sector, as the government selected a private company in March 2002 as a second operator in the area, and the plan for the privatization of the national telecommunication society, SOTELMA, is moving forward. Furthermore, a medium-term plan for liberalization in the huge cotton sector and the privatization of the national cotton company, CMDT, was adopted at a nationwide workshop on the cotton sector in Mali. The workshop, held in April 2001, aimed essentially at resolving the crisis in the sector and improving its competitiveness. A five-year plan for a total liberalization has been designed. Farmers have regained confidence and a new national cotton production record of 575,000 metric tons anticipated for 2002 will be one major result of the dialogue. Restructuring the cotton sector is crucial for the Malian economy as cotton export represents 40% to 50% of the country's export revenues and since about 1/3 of the Malian population is involved in cotton activities. Important actions are also being taken to liberalize and ensure competitiveness in the transportation sector and in banking. Since the early 1990s, Mali has made admirable progress to put in place a more liberalized economic environment needed for the expansion of private enterprises. Both the International Monetary Fund (IMF) and the World Bank are currently satisfied with the good implementation level of the structural and economic reforms, and several important private initiatives are being established in the country. These include enterprises involved in cotton processing, animal feed production, tanning of hides, and sugar processing.

Another positive dynamic is the country's good relationships with development partners, both multilateral and bilateral. Progress in developing the country's PRSP and in economic reforms have recently consolidated these partnerships for the country. With about 15% of its GDP representing international aid, Mali has a high dependence on foreign assistance, which funds 40% to 50% of the National Budget (80% to 90% is for public development activities). In September 2000, Mali was qualified for the Heavily Indebted Poor Country (HIPC) debt relief and should realize debt relief totaling \$870 million over 30 years, which corresponds to about 33% of the country's nominal debt. The government provided a fourth version of its final PRSP in February 2002. This has been revised once since and the final should be submitted in June 2002. A positive reception from the IMF, World Bank, and donor community is likely. Mali will have soon a comprehensive medium-term development strategy, essential for effective development programs.

As a landlocked country, regional integration is crucial to Mali, and the Malian authorities are strongly engaged in that process. Mali has a regional comparative advantage in production and trade of rice and livestock. In January 2000, the WAEMU member countries (including Mali) adopted the Common External Tariff as a trade policy with countries outside the Union, and also the abolition of tariffs within WAEMU for local primary products and locally manufactured products. WAEMU countries have made substantial progress towards trade liberalization, although the implementation process is not always

smooth and has slowed recently with the political instability in Ivory Coast, jeopardizing parts of Malian international trade during 2000. Malian trade exchange through Ivory Coast (both direct trading flows with this country and transit goods) represents 70% to 80% of total Malian international trading. Recent political events in Ivory Coast have highlighted Mali's vulnerability and showed the necessity for alternate routes for access to the sea. The WAEMU member countries' common currency, the CFA franc, is now pegged (since January 2002) to the EURO. This represents a great opportunity for increasing trade between the two monetary zones since it eliminates monetary transaction costs. Also, African Growth Opportunity Act (AGOA) and the New Plan for Africa's Development (NEPAD) offer opportunities that must be seriously considered for Mali. Clearly, the continued regional economic integration and globalization of the world economy should have a favorable influence on Mali's economy through greater access to technologies, trading partners, information, and markets.

Mali's agro-industrial sector dominates the economy and growth prospects and comparative advantages remain in this sector. USAID/Mali continues to be an important donor in this sector and is recognized by the GRM and other donors as an innovator and intellectual leader. Also, progress achieved during the current CSP indicates that continued efforts are required to deepen the achievements to date and to further strengthen participation in the economy by all segments of Malian society.

Even though few people are involved in mining activities (only 2,240 jobs in the mining industry), this sector is experiencing a genuine boom with a gold production of 55 Metric Tons in 2001 (compared to about 30 Metric Tons in 2000). Furthermore, tax revenues from the gold sector constitute a major source of public funding, according to the IMF.

Our annual review of the Malian economy demonstrated that, even with an annual average GDP real growth of 5% (coupled with a targeted population increase of 2.2%), it would still not be possible for the majority of Malians to get out of poverty within ten years. For the per capita income to double from its current level of \$250 to \$500 per year by 2012, the real GNP growth rate must average 9.5% per annum and the population growth rate average 2.2% annually. Therefore, USAID/Mali and its development partners will target those sectors where the highest levels of growth can be achieved.

Notwithstanding recent economic progress, the Malian economy remains highly vulnerable to rainfall irregularities, to terms of trade shocks (due to high dependence on two principal export commodities (cotton and gold) and on imported oil, to decreasing international aid, and to tensions in neighboring countries (the case of political instabilities in Côte d'Ivoire). High transportation, energy and telecommunications costs hinder the industrialization process. Also, a low level of human capital and inadequate infrastructure constitute strong constraints for the country's development.

2. Social Environment

Poverty alleviation is the over-arching, number one goal of the nation. Because people are so poor, there are few household resources available beyond the immediate needs for survival – food, clothing, and shelter. Mali's basic social indicators are quite dismal and the country ranks as one of the lowest worldwide. The dominating social factor for Malians is widespread poverty. Estimates show that over 65% of Malians are living below the poverty threshold (earning a dollar a day). Certainly the need to provide opportunities to increase income must be part of any comprehensive development strategy. Without increased income, many people simply cannot afford to have their children in school, cannot afford even basic health services, and cannot expand their horizons above the constant struggle just to meet basic needs.

This level of need is not a recent phenomenon; it has characterized Malian life for centuries. Expectations are rising, but unemployment, under-employment, and absence of economic opportunities persist and even worsen as the population grows. Although there are signs of improvement, the slow growth rate bodes poorly for people living on the margin.

However, the continuing decentralization movement provides real possibilities that life could improve for rural Malians. Empowerment to the communes through Mali's expansive decentralization initiatives has demonstrated people's ability to influence how government resources are used locally and how communities can take more responsibility for providing opportunities. Choosing their own representatives and having a voice in decision-making processes will lead to making decisions on the provision of basic social services and allocation of local tax revenues. Even without significant government support, the expansion of community-run schools, community-managed health centers, and agriculture markets are clear demonstrations that rural Malians are taking more personal control for provision of social services and economic opportunities. The impact on social indicators through this movement will not be felt overnight, but progress is definitely being made.

3. Political Environment

The political trend towards democracy since the transition in 1991, after 23 years of single party dictatorship, continues to be consolidated. One of the most important outcomes of the transition to democracy was the overwhelming consensus among Malians on decentralization of governance as a structural goal. This was officially inaugurated with the completion of local government elections in 1999. Thus, decentralization policies have become major foci in the country's political structure with implications for both national and local politics. Recent decentralization legislative reforms regarding the sectors of water, health and education show promise in transferring personnel and resources to the commune level. Indeed, there is a very recent consensus among GRM institutions that resources must be held/controlled at the local level. However, revenues continue to be "housed" at the ministerial level. There continues to be a concentration of public resources in the central state and particularly in the executive branch of government; decentralization is often countered by inter-ministerial centralization of resources and personnel. Deconcentration is often promoted in place of decentralization. Corruption continues to be a severe problem at all levels of government and erodes people's trust and willingness to endorse government's actions.

The effectiveness of the state's performance in the areas of public decision-making and service delivery has been relatively poor, as evidenced by continuing widespread poverty and a growing gap between the rich and poor. Historical and structural factors contribute to low participation rates by most societal actors in public decision-making.

Malian democracy has reached a critical turning point and the 2002 election should bring about a regime shift, which could further consolidate the gains of the last ten years or could stall the process of democratic consolidation. In this context, Malians look to the presidential and legislative elections of 2002 as a major watershed that, if successful, could consolidate democracy in the country. By the time this document reaches Washington, more will be known about the executive transition. If all parties participate in the legislative elections later this summer, the next National Assembly could be dramatically more representative than the current one, providing a vibrant pluralism needed for a young democracy.

Nevertheless, Mali has made strenuous efforts to put in place effective machinery to enhance the credibility of the 2002 elections. As examples, the completion of an electoral-administrative census, the establishment of a revised and computerized electoral list, and the creation of two institutions, the Delegation General of Election and the National Independent Electoral Commission, the former to maintain the electoral list and the latter to monitor and supervise the electoral process, attest to the progress being made in restoring confidence in the electoral machinery and system for future elections in Mali.

While it is widely recognized that internal conflicts within political parties and around national electoral politics remain largely outside the concern and interest of the “average” rural Malian, it should be noted that rising Islamic fundamentalism might affect efforts towards democratic decentralization if issues of equity, representation and inclusiveness are not adequately addressed. The volatile northern regions are stable at the moment, but are vulnerable to fundamentalism and remain somewhat isolated.

C. Country Risks and Critical Assumptions

There is no shortage of problems, needs, and opportunities that USAID could respond to in Mali. Even with substantial pledges of donor aid, both the needs and the constraints are so overwhelming that tough choices have to be made about where those investments can make a visible difference in the country's progress. While the Mission's strategy is economic growth and poverty reduction in its orientation, it is grounded in the reality that a rapid transformation is unlikely. USAID/Mali must be realistic about what can be accomplished over the next five to ten years to achieve a sufficient degree of sustainable impact. USAID will employ strategic approaches that are realistic, incremental, flexible and sustainable. Our strategy is based on the broad assumptions that Mali's prospects for stability, democratic governance, economic growth, and poverty reduction hinge upon the creation of a policy environment that is progressively more accessible, participatory and tolerant. There are, however, potential risks to Mali's socio-economic and political stability that can affect the success of our program across all sectors. They are noted below.

Economic Policy Reform:

Mali's future depends on her people. While the Government of the Republic of Mali (GRM) and donor efforts are important to facilitating sustainable economic growth and poverty reduction, ultimately it is what people do and how the rural and urban populations adjust their production, marketing, political, and social decisions that will affect Mali's development. One of the most important assumptions for the success of this strategic period is the adoption and implementation by the GRM of those actions and policy reforms needed to correct and maintain an environment conducive to expanding economic growth opportunities, principally through a private sector approach. This assumes the practice of good governance, national leadership, sound fiscal policies and political will that gives first priority to the interests of the Malian people. Mali's macroeconomic policies and the political climate must remain consistent with the USAID/Mali proposed strategy program. A stable and healthy macroeconomic environment is required to provide the government with resources to invest in development, public services, and infrastructure including roads and telecommunications. A stable economic environment also promotes lower interest and inflation rates, and encourages the domestic and foreign investment that helps economic growth. The GRM is continuing to work hard to change policies and practices to make Mali a more attractive country for domestic and foreign investors and to provide necessary incentives for increased productivity in the agricultural sector, especially in the areas of processing and marketing.

Regional Trade and Stability:

To increase economic growth and reduce poverty, central objectives for USAID and for the GRM, we believe that increased agricultural productivity and trade are essential. Mali's agricultural and agribusiness sectors are subject to substantial climate and production risk. The infrastructure is poor and transport costs are high. Most trade is with coastal West Africa and their ports provide outlets to European markets. The bankruptcies of both Air Afrique and Sabena airlines have greatly increased the risks and substantially increased costs associated with air cargo shipments. There is always the possibility that regional stability and security can deteriorate to a degree that would fundamentally undermine the activities proposed for productivity and trade. For example, livestock movements from Mali to Guinea, Ivory Coast, and Burkina Faso are frequently inhibited by insecurity along major market routes. Insecurity results in higher prices, as risk factors are added to traders' costs. Potential

investors, domestic and foreign, are reluctant to invest if security is a concern. We hope that disruptions from internal or regional conflicts in priority areas will be limited and will not be so extreme as to fundamentally undermine the Country Strategic Plan, particularly trade.

Decentralization:

One of the principal democratic governance problems, touching on all the other development issues, has been the inability to date of the Malian state to institutionalize and consolidate a system of decentralized governance. While decentralization is heralded as the center piece of Malian democracy, the way in which its design and implementation have unfolded over the past decade has led to considerable conflict, albeit generally peaceful, among the full range of Malian political actors. The principal reason that this problem has emerged is due to the disequilibrium in the political system resulting from the overwhelming power of the executive branch vis-à-vis all other political actors. Decentralization is seen as the principal means for dispersing power throughout the political system. It is the means for increasing political competition, including broad based involvement of all Malians in public life, and for promoting good public policymaking and effective public service delivery. The consolidation of decentralization is not just for political or democratic reasons, but because it is equally necessary for the country's continued efforts at promoting sustainable economic and social development. The infrastructure of decentralization is incomplete, and it is far too early in the process for safe predictions to be made about how it will work out in practice. Each unit of self-government, in each region and at each level, is still in the process of self-creation, defining what it can do and how it will in practice interact with the parallel, delegated structures of the central state. From the perspective of institutions and processes, therefore, Mali can still be viewed in a transition stage to a system of democratic governance and awaits the achievement of several factors to match the Malian peoples' belief in democracy with the political institutions and processes necessary to make it durable.

Civil Society:

Civil society, while stronger than at the beginning of the last CSP period, remains nascent in many respects. In the relatively short span of a decade, Malian civil society has increasingly participated in decision-making at both the national and decentralized levels of governance. Although it acts as a powerful brake to anti-democratic and abusive tendencies of the state, it is far too dispersed, diverse and lacking in resources to balance the power of the central state. At the local communal level, civil society has had mixed success in engaging local governments, depending to a large degree on the specific circumstances of a given commune and the openness of the former to the latter's participation in public life. The success of the new strategy will be dependent not so much by targeting specific civil society actors for assistance, but rather in promoting coalitions and alliances among them that enable them to deal effectively with the problems faced by the communities they represent.

Rule of Law:

The rule of law is not consistent. This diminishes Mali's ability to promote a free and open market economy in which, *inter-alia*, property rights and contracts are uniformly respected. While government has embarked on macro-economic reform and structural adjustment for the better part of the past decade, it is still incomplete. Corruption is a fundamental breakdown in the rule of law and is viewed as a continuing problem. Corruption undermines democratic consolidation and constrains social and economic development. It is seen as one of the principle reasons for the lack of equity throughout society in the evolving market economy. Without respect and adherence to Malian law, business transactions and contracts are vulnerable, financial security cannot be assured, and tax avoidance can be widespread. France and Canada are providing assistance for improving the judicial system, but corruption and low salaries could jeopardize any gains made.

Food Security:

Acute food insecurity can result from short-term shocks that reduce food availability, access, or utilization of an individual. In Mali, acute food insecurity has been most often associated with weather events (drought and floods) and pest infestations that disrupt agricultural production, marketing systems for food, and farmers' incomes. The occurrence of at least one major drought and/or flood in the ten-year period of this strategy has to be allowed for. Assuring food security involves addressing its three components: availability, access, and utilization. Improving availability involves actions aimed at increasing food supply through increased production, reforms of marketing systems to drive down costs of food to consumers, improved marketing technologies, and strengthened transport and market infrastructure. Improving consumers' access to food involves raising consumers' real incomes through efficient economic growth; actions aimed at income redistribution to the poor; and creation of

safety nets (e.g., emergency food aid) that allow the destitute access to food when they lack real income. Through the Cereals Market Restructuring Program, for the last ten years Mali has been operating an effective system for ensuring food security, maintaining food stocks to supply minor geographic pockets of food deficits and to be ready should any food-related emergency arise.

HIV/AIDS:

In Mali, vulnerability to HIV is associated with cultural factors, education, poverty, poor health conditions and migration. Cultural factors may include male dominance of women, the early onset of sexual activity among women and presence of polygamy, as well as the low status of women. Poverty, poor access to health services, poor sanitation, and low literacy levels contrive to create an environment conducive to the spread of HIV and hostile to efforts to mount an effective response. Low incomes, for example, may bring about increased prostitution and migration as Malians seek out sources of income. The prevalence of sexually transmitted infections (STI's) and condom use, which are affected both by cultural factors and health services, represent important co-factors of HIV transmission. Mali, with relatively low levels of prevalence in most communities, has the opportunity to control the spread of the epidemic and its devastating effects. As rates in neighboring countries such as Cote d'Ivoire, Nigeria and Burkina Faso start climbing with alarming momentum, Mali will need to pursue an aggressive campaign to prevent the spread of this disease. In addition, systems are needed to monitor the spread and impacts of the HIV/AIDS in the many different sub-populations across the country. While most of the interventions at this stage of the epidemic relate primarily to the health sector, the impact of HIV/AIDS extends into all sectors. An effective response to contain and hopefully reduce the HIV/AIDS epidemic in Mali will require multi-sectoral collaboration.

Health Service Delivery:

The adoption of behaviors necessary for improving the health status of Malians depends upon the availability of health services and the ability of Malians to access them. There are also behavioral changes that can improve health which require no delivery of services, e.g., abstaining from sex, practicing safe sex, improving basic sanitation practices, providing adequate nourishment to pregnant mothers and babies. It is assumed that the decentralization process, which is unfolding at different rates depending on the line ministry and district, will require even more capacity building at the local level. The assumptions here are that mobilization of communities and individual sensitization will result in the adoption of behaviors that lead to improved health status because key services become both more accessible and more desirable and the quality of those services is improved. Communities are being encouraged to organize themselves, to identify major health problems as well as solutions, and to contribute time and energy as volunteers to help their neighbors. Another critical assumption is that the severe shortage of human resources will be vigorously addressed by the MOH. This includes working with the pertinent training institutions to resolve the serious and growing shortage of instructors and nurses. The full implementation of the GRM's Ten-Year Health Plan (called PRODESS) is expected to result in an overall improvement in working conditions, especially for health workers posted to the most rural areas.

Basic Education:

The success of USAID achieving its basic education objectives is based on the following assumptions: that education will remain a major pillar of the GRM's program of poverty alleviation; economic stability will allow the government to maintain or modestly increase current levels of investments to primary education; and the government will support the current education plan and will provide leadership for implementing it. During the past five years gains have been made in primary school access, largely through establishment of community schools (with limited government support), but enrollment is still less than 60% of all children and much less at secondary schools and the University of Mali. The government has established ambitious targets for improving this situation, but even modest achievements will require large financial and political commitments. The Mission recognizes the hard choices that such commitments have required and that they have come at a very high price. The quality of teaching and learning is low, and the growth of the student population has placed considerable pressure on government resources, such as the ability to provide educational materials and professional teacher development services. The government has developed a Ten-Year Education Plan (called PRODEC). Steady progress, through USAID and other donor support, has been made, but both access and quality problems still need to be addressed.

Information and Communication:

Many of the proposed activities under this CSP are dependent upon an environment that promotes freedom of information to people of all ages. It is assumed that there will be continued support from the GRM for freedom of disseminating information in various media. In particular the continuation of the current policies and approaches will be key to ensuring that our health, education, economic growth, and D/G interventions can undertake the kind of behavior change interventions now needed to help people understand and internalize life-saving and poverty alleviation messages. Without such an environment, the underpinning decentralization movement could be in jeopardy, as basic democracy requires an independent flow of communications, information and transparency within government and the private sector.

GRM and Donor Support:

Another major assumption is that donors will continue to provide complementary support and will fulfill their pledges in a timely manner at levels that remain consistent with current support. Funds from donors are critical to ensuring the success of the government's strategy to reduce poverty and to many of USAID's activities, as is donor commitment to institutional capacity building. The GRM is an important partner contributing to the success of the USAID strategy, as USAID is also a key actor in implementing the nation's strategic plan. USAID/Mali assumes that the GRM will remain a committed and supportive partner in each sector. Dedicated and committed leadership at the sector level is crucial to the program's success. Underlying this strategy is an assumption that the quality of leadership in key Ministries will remain at its current high standard.

USAID Funding Levels:

For the ten-year life of this strategy, USAID/Mali assumes that the Agency will continue to see Mali as a priority sustainable development country in the West Africa region. An important assumption underlying planning for this CSP period is that resource levels will be maintained at \$36 million annually or higher during the next ten years. Without adequate funding it is unlikely that a substantial impact can be made in the all sectors and programmatic areas. USAID must be willing to be ambitious and aggressive in its investments, and we have assumed the Agency will make every effort to provide the funding and staff resources needed to do the job properly.

D. U.S. Foreign Policy Interests

After September 11, the poorest countries on earth took on a new significance in shaping U.S. foreign policy. More and more Americans now understand that fighting poverty is in the best national interest of the United States. As President Bush said in remarks at the Inter-American Bank on March 14, 2002, "Poverty doesn't cause terrorism. Being poor doesn't make you a murderer. Most of the plotters of September 11th were raised in comfort. Yet persistent poverty and oppression can lead to hopelessness and despair. And when governments fail to meet the most basic needs of their people, these failed states can become havens for terror." Although the GRM certainly is not oppressive, Mali is one of the poorest countries on earth and a potential breeding ground for Islamic fundamentalists. Seventy-two percent of the people live on less than a dollar a day and are vulnerable to outside influences. It is vast, with more territory than Ivory Coast, Senegal, Ghana, Burkina Faso, Benin and Togo combined, and the border is porous. Its neighbors like Algeria, Burkina Faso and Mauritania are well known for trading in small arms. Ninety percent of the population is Muslim, with a small, but vocal, rightwing group who preach fundamentalism. Today, the people of Mali support democracy and are trying hard to reform their economy and educate their children. It is most certainly in the best interest of the United States to help this fledging democracy to succeed and to help Malians fight their way out of poverty. To quote Administrator Natsios during the Congressional budget hearings, "There is a direct connection between foreign affairs and foreign policy of the U.S. Government and USAID's programs. I think that in helping countries that have decided to move toward democratic capitalism as a system of economics and a system of governance, we do a lot to stabilize the world and create an international system that is more civilized and decent, with more protections for human rights and individual freedoms."

Mali has been forthright in its support of the U.S. immediately after the September 11 attacks and through the current military effort against Al Qaeda and its Taliban sponsors. The Malian Government has pledged assistance in cutting off terrorists' access to financial resources and specifically ordered that Malian territory not serve as a sanctuary for potential terrorist as international pressure forces them to flee current havens. Mali has been especially cooperative in intelligence

sharing and coordination. With Muslims comprising 90% of its total population, Mali has consistently advocated a helpful policy in the Organization of Islamic Countries (OIC).

When President of OIC, President Konare helped steer the organization towards a moderate stance that condemned terrorism, avoided labeling Israel a terrorist state, and provided Iraq little rhetorical ammunition. The Government of Mali has consistently emphasized tolerance and moderation among Muslims and encouraged Islamic leaders to espouse such values to their adherents. On regional issues, Mali has exemplified democratization and the shift to free markets, and encouraged political stability through commitment of military resources to peacekeeping missions. Mali's strong political leadership has encouraged West Africa's leaders to embrace democracy and efforts to enhance stability. Politically, continued assistance for Mali's development is a clear demonstration of our recognition of the Government of Mali's support of the USA.

Over the past decade the Malian Armed Forces have evolved to a more professional organization that supports human rights, economic development, and conflict resolution. U.S. security assistance programs in Mali serve to institutionalize these changes, providing training in civil-military affairs, coordinating ongoing peacekeeping training, and conducting seminars on the role of the armed forces in a democracy. Mali has been an effective interlocutor and mediator on regional tensions, such as those in Sierra Leone (thanks in part to U.S. funded Africa Crisis Response Initiative and peace-keeping forces training). Mali has also served as a buffer against the disruptive intentions of Libya and extreme Islamic fundamentalists active in the region. Mali's success in peacefully resolving an armed ethnic conflict in the North has enhanced its credibility as a leader in West Africa.

The record of democratic and economic achievement in Mali is impressive. Secretary of State Colin Powell, when he visited in May 2001, said that he held up Mali as an example to the world as to how to peacefully transition from a military dictatorship to a free and democratic government. The decentralization process has empowered local communities and energized civil society. Mali benefits from ethnic harmony and there is good cooperation between locally elected officials and traditional leaders. The country has launched an active process of civic education and voter registration that should lead to credible presidential elections in 2002. The run-off presidential election will take place on May 12, with the first round on April 28 having proceeded with only minor administrative difficulties. The Government of Mali is committed to fighting corruption and in the past months we have seen former ministers indicted for misuse of funds or position. On March 14th, President Bush remarked, "The advance of development is a central commitment of American foreign policy." Advancing development in a country as pro-American, democratic and committed to reform as Mali certainly must qualify as part of that commitment.

E. History of USAID Assistance

USAID has been assisting with Mali's development since 1961. The various programs were administered either regionally or through direct bilateral programs with USAID staff in residence. Initial efforts, up to the period of the Sahel Drought (1973-1975), focused on food production, education and training, and rural infrastructure. The programs were mainly regional, administered out of Dakar. Efforts at establishing food self-sufficiency were largely destroyed by the effects of the drought.

Through 1978, efforts were made to stave off massive starvation and to establish Sahel regional institutions to mitigate the horrific effects of drought throughout the region. Huge amounts of food aid were provided and food-for-work programs were carried out in Mali and all other Sahelian states. From 1978-1987, USAID maintained a Mission in Mali, attempting to reduce state control, create food security, restructure cereals marketing and reduce state control, establish basic maternal/child health services, create rural infrastructure and promote literacy, and do agriculture research.

For the period 1987-1994, USAID concentrated on privatization and completion of projects with state-owned enterprises. Democracy and basic education became parts of the program, much of which continued to focus on basic health, agriculture and livestock. With the overthrow of the dictatorship, democracy was advancing (except in the northern regions of the country, where a rebellion raged from 1990-1995) and many state-owned enterprises were privatized. However, per capita income remained extremely low, health services were poor or unavailable, food deficits continued, and only small advances were made in increasing access to primary education.

In 1995, USAID designed a new strategic approach, focusing on four key sectors (health, basic education, economic growth, and democratic governance) and two special sub-sectors (information and communications and development in the northern regions). At the same time, the Mission was going through “reengineering” as a special laboratory for developing the administrative structure for this new Country Strategic Plan. The implementation structure for development assistance went through fundamental changes and Strategic Objectives (sectoral programs) succeeded the Project mode USAID had been using since the sixties.

Full implementation of the new Country Strategic Plan did not start until 1998, when USAID and the GRM signed Strategic Objective Agreements (entitled “Youth”, “Sustainable Economic Growth” and “Democratic Governance”) and Special Agreements (entitled “Information and Communications” and “Development in the North”) covering the period up through FY 2002. Since then, the strategic period has been extended through FY 2003.

The highlights of the forty-plus year period of assistance through USAID are not as dramatic as those in certain Asian, Mediterranean, and Latin American countries. Mali still has one of the poorest, most unhealthy, and under-educated populations in the world. Reliance on foreign aid has not decreased and foreign debt and trade deficits continue to increase. Advances are limited and donor assistance has not yet had the impact that was hoped for. Yet some accomplishments are noteworthy. Mali is a stable, democratically governed country with free and open elections. The economy is greatly liberalized and privatization is almost complete. Most policies are conducive to growth and expansion. Now over 50% of Malian children go to school and the majority of the populace has access to health services. Per capita income has not increased, yet people are adequately fed and housed. Mali has been self-sufficient in food production for several years and the sense of hope and optimism is noted throughout the country. However, we still must ask ourselves the question, “Should USAID continue to invest foreign aid resources in Mali?” The answer continues to be a resounding, “Yes”, as it is definitely in the best interests of U.S. foreign policy.

F. Progress and Potential

Mali spent much of the 1990’s setting the stage for progressive development through enacting a series of financial and structural reforms. According to the December 4, 2001 report written by the International Monetary Fund (IMF), “Since the early 1990’s Mali has made appreciable progress in reducing macroeconomic imbalances and liberalizing the economy. This has been made possible by consolidating the government fiscal position, lowering inflation, dismantling public monopolies, abolishing price controls, liberalizing the trade regime, and allowing for a greater role for private sector initiatives.” In addition, Mali has had significant success in promoting democracy and decentralization has now reached every corner of the country. Since the peace agreement was negotiated with the North in 1996, there has been a long period of peace and stability. President Konare has played a vital role in promoting peace in the region as well as ensuring that Mali is an active partner in regional organizations such as the WAEMU. By any measure, these are important and significant moves in the right direction.

While Mali has been (and remains) vulnerable to exogenous shocks such as world cotton prices, droughts and oil prices, there is reason to believe that diversification of the economy will slowly take place during the next ten years that will allow Mali to become less prone to “bad years” and can enjoy real increased per capita GDP. As of March 2002, IMF and World Bank estimates state that GDP should grow by an average of eight 8% year during the next five years; they are expecting a 9.3% growth rate in 2002. Foreign investments have also been increasing over the past five years and are expected to continue to climb again in 2002 (mainly in cotton, sugar and mining).

In a recent evaluation of Mali’s economic reform progress, the IMF concluded that Mali’s economic performance during 2001 was satisfactory “with all quantitative performance criteria and benchmarks observed through end of July 2001. Structural measures have been implemented in the cotton sector, the taxation of petroleum products, the pricing of public utilities, and the tracking of expenditures from HIPC Initiatives. Fiscal developments through September 2001 have been in line with program projections.” The report commended the authorities for adhering to the program targets in the face of these exogenous shocks, observing that this revealed a high degree of ownership of the program and a strong commitment to economic reform by the authorities. This degree of ownership is noteworthy

and an excellent sign that reforms are here to stay and their importance has been fully recognized by the Malian government. They encouraged the authorities to push ahead with structural reforms to develop human capital and physical infrastructures and to lower energy costs.

Over the past two decades, there has been some positive movement in Mali's social indicators. For example, according to the demographic and health surveys of 1995/96 and 2001 and the UN 2001 Human Development Report: between 1988 and 1996, the crude death rate decreased from 22 to 16 per 1000 people, the infant mortality rate was reduced from 221 per 1000 live births in 1970 to 113 per thousand in 2001; life expectancy was 42.9 in 1975 and 51 years in 2001. In the education sector, progress has been significant over the past 25 years. According to the United Nations Development Program's (UNDP's) 2001 Human Development Report, 40% of the population over the age of 15 and 33% of the women were literate in 1999; in 1980 only 14% of the population over 15 could read, and only eight 8% of the women. The primary school enrollment has risen to 58%, an increase of 30 % over five years ago. Child malnutrition continues to be a problem. Chronic malnutrition actually worsened over the past five years according to the Demographic and Health Surveys of 1996 and 2001. In 2001 the rate was 39.4 % versus 30.1 % in 1996. However, wasting of children went from 23% in 1996 to 10.6% in 2001 and number of underweight children went from 40% to 33.8% in 2001. Health officials are encouraged by the improved statistics on wasting and underweight children, since these should lead to lower levels of chronic nutrition over time. USAID, in conjunction with Michigan State University and the Ministry of Health, has sponsored a joint project since 1997 to study linkages between agricultural growth and child nutrition in Mali. The project is still ongoing, but in the first phase the following was determined: improving child nutrition depends on both agricultural productivity growth that generates higher real incomes and regular access to food, and integration of good nutritional practices. Based on these results, the Ministry of Health has recently added proper feeding and care-giving practices to the package of basic services that should be offered at community health centers.

The government of Mali has designed two important national strategies, one in health (PRODESS) and one in education (PRODEC), that describe how Mali (with the help of donors) can improve both the quantity and quality of health care and education. These strategies are important tools for the development community and demonstrate just how serious the government is in tackling some of the toughest challenges in both social sectors. The plans were worked out with the full cooperation of the donor community and all donors have committed funds to ensure the goals are accomplished.

Poverty reduction is the number one priority of the Government of Mali (GRM). Since the early 1990's, Mali has been implementing reforms through successive Enhanced Structural Adjustment Facility (ESAF) and Poverty Reduction and Growth Facility (PRGF) arrangements with the IMF. In September 1998, Mali became eligible to benefit from the Highly Indebted Poor Country Initiative (HIPC). In September 2000, the World Bank and IMF Boards decided that Mali had fulfilled the conditions for reaching the completion point under the original HIPC initiative and the decision point under the enhanced HIPC initiative. Assistance under the original and enhanced HIPC initiatives will amount to \$870 million, representing a reduction of about 36 % of the pre-HIPC debt stock. Mali is among the ten least-developed countries in the world. The government's current economic program, supported by the HIPC arrangement, reinforces the growth-oriented adjustment strategy in place since the early 1990's that led to a boost in economic growth during the post devaluation period (1995-2000), and contributed to a reduction in the incidence of poverty by about 7.5% between 1996 and 2000.

Since the 1990s, several poverty-targeted measures have been taken, including labor-intensive public works programs, credit-based interventions, and a social safety net for vulnerable groups. The government's current economic program, which strengthens the growth-oriented adjustment strategy in place since the early 1990's, places increased emphasis on reinforcing the enabling environment for private sector development.

In addition to the beneficial impact of growth on poverty reduction, the government is taking measures that will have a larger direct impact on poverty reduction, especially in rural areas, where the majority of the poor live. A number of sectoral programs have been or are being developed for health, education, food and nutrition, rural development, water resources, the environment, and the promotion of women and children. Decentralization of expenditure commitments and the placing of

more emphasis on transparency and accountability should increase efficiency in the allocation and targeting of resources to the poor.

The democratically elected government in Mali has made great strides in the past ten years in laying down the foundation for economic growth and reduction of poverty. The PRSP, the national education and health strategies are all excellent tools for the Malian government and donors to use in a concentrated and collaborative effort to help Mali in its efforts to move forward. The economic and structural reforms that took place in the 1990s are to be applauded – some results have already occurred and many more should follow. Foreign investments are on the rise, rice production has increased by 13% for three years in a row and Mali has gone from being a net importer of cereals in the seventies (up to 100,000 tons per year) to a cereal exporter in 2001 (55,000 metric tons). The number of private radio stations has increased from five to 120 over the past five years. From none in 1997 to over 8,000 in 2002, the number of Malian Internet users continues to grow. Thirty percent more children are in school than five years ago. In March 2002, the IMF predicted that GDP would grow by 9.3% in 2002. The 2001 World Bank study 'Aid Reform in Africa' concluded that foreign aid definitely has had a positive impact on reform in Mali. Before 1991, "aid strengthened the arguments of the pro-reformers." During the democratic period, the role of external aid "contributed to reforms because it reduced their immediate cost to the population." The Bank study states: "financial aid should again become effective under the current democratic political regime and in an economy in which most restrictions have been lifted." There is no better time for donors to stand proudly beside Mali and help with momentous task of moving the majority of Malians out of poverty.

G. Planning Parameters

The major parameters for planning the new strategy were laid out in a Parameters Cable. Conceptually, the strategy proposed is approved. USAID/Mali has been charged with developing a Country Strategic Plan that emphasizes both poverty reduction and economic growth, covering the period 2003-2012 for roughly \$36 million per annum. The approved focus areas are reproductive and child health, basic education, shared governance through decentralization, accelerated economic growth, and information technologies. Initial approval is for five years at the level of \$180 million. Following a general progress assessment after three years of implementation, a further five-year implementation period through 2012 could be approved.

In addition to the mandatory analyses required for all new full strategic plans (gender, conflict vulnerability, and environment), USAID/Mali undertook major assessments in the following areas: 1. Macroeconomic Analysis, 2. Agriculture Sector Assessment, 3. Energy Assessment, 4. Health Sector Assessment, and 5. Democratic Governance Assessment. These and over 70 relevant studies were reviewed.

H. Donor and Host Country Relationships

It is difficult to precisely determine the exact level of donor assistance, as loan drawn-down from multilateral organizations may vary year to year, some donors report assistance as a lump sum (rather than by annual increment), some only show direct contributions to the Malian budget, etc. By whatever method the level of support is shown, the United States is a major donor, ranking high and providing roughly 15% of Mali's total bilateral and multilateral donor assistance in 2000 (the total is estimated at \$300 million). In order of importance, the other major donors include: the World Bank, European Union, France, International Monetary Fund, Japan, United Nations agencies, Germany, the Netherlands, Canada, Norway, Switzerland, and Belgium. Coordination with other donors is implemented largely through the aid reform initiative of the Development Assistance Committee of the Organization for Economic Cooperation and Development.

USAID/Mali has been very active since 1998 in the aid reform initiative, as member of the donor Technical Committee and Management Committee and as a donor member of the Ministry of Economy and Finance-led Aid Coordination Commission. These committees are used as the principal means of coordinating donor assistance to the Malian government, where plans of action and information are shared, joint decisions are made on selected issues, and various harmonization measures are explored. Sectoral committees have also been formed that all have major donors and concerned Ministries represented. The major sectoral committees (where USAID is a member) include: Family Planning/Health, Basic Education, Decentralization, and North Development.

Members of the donor community that support health policy and programs include: **IBRD, Netherlands, and Canada** (health infrastructure development, nutrition, institutional capacity building); **UNDP** (Expanded Program for Immunization and AIDS interventions); **UNICEF** (child survival interventions, including EPI and nutrition); **WHO** (development of decentralized health service capabilities, health personnel training, EPI); **UNFPA** (reproductive health and contraceptives, i.e. NORPLANT, IUDs; and **European Union** (infrastructure development, essential drugs).

Major donors in basic education include: **African Development Bank** (school construction and equipment); **IBRD** (\$45 million loan for first phase of ESEP, 2001-2004). Of this, \$33.7 million (75%) will be invested in Basic Education, including \$21 million to construct new classrooms and \$7 million to provide books. IBRD also has provided a Learning Initiative Loan in collaboration with Holland to support further testing of existing USAID supported innovations such as community participation, maternal language instruction, and decentralization; **Canada** (in-service teacher training. This extensive program is expected to begin in 2001); **Germany and Japan** (infrastructure, including schools, and equipment. The German Aid Organization (GTZ) is providing technical support to the regional education department in Mopti); **Netherlands** (substantial support to build teacher development centers (CAPs), and for curriculum development); **France** (teacher training, student textbooks, school construction and community schools); **WFP** (school lunch and school health programs, and micro-nutrients); **UNICEF** (girls' education, teacher training, school committee training, curriculum development, construction of and equipment for teacher training centers, and a decentralized planning system); and **UNDP and UNESCO** (support for girls' education, and civic education in the north).

Major donors in economic growth include: **World Bank** (microfinance, economic policy, agribusiness development); **European Union** (livestock sector development, irrigation, cereals' market reform); **France** (cereals' market reform, microfinance); **Netherlands** (cereals' market reform, agricultural research); **Canada** (cereals' market reform, microfinance, rice sector development); **World Food Program** (cereals' market reform); **UNDP** (environment and Natural Resource Management); and **Germany** (microfinance, environment and Natural Resource Management).

Donors working on democratic governance at the communal level include: **Canada and France** (judicial reform, decentralization, legislative/police/ security strengthening, electoral support, women in politics, support to Controle General d'Etat); **World Bank** (administrative reform of governmental organizations, corruption elimination and transparency, judicial reform); **Germany** (decentralization, electoral support, political party strengthening); **Netherlands** (developing capacity of communal councils, electoral support; and **European Union** (decentralization/local government strengthening, electoral support).

Donors working in the information and communications sector are: **France** (operation of an Internet training facility at the University of Mali); **Switzerland (Helvetas)** (technical and financial support for a West African network); and **Coordination Committee** (in the community radio sector, a coordination committee created by USAID now groups 19 donor and international development organizations, supports radio programming for development activities (FAO, UNICEF, GTZ, the Dutch development program and the U.S. Peace Corps are active donors in this field).

Donors working in the North include **France, Netherlands, Norway, Sweden, Germany, and UNDP**. There are over 65 projects being initiated or implemented in the three northern regions. These projects are funded through bilateral agreements, multilateral organizations and international banking institutions.

The Malian government is in the process (March 2002) of finalizing the national **Poverty Reduction Strategic Plan (PRSP)**. Over the last year, in close collaboration with donors involved with aid reform and selected representatives of civil society, there have been numerous discussions, reviews and drafts done on the PRSP document. USAID has played an active role in the process, serving on sectoral committees designing portions of the paper and on review panels with government coordinators (under the overall coordination of the Ministry of Economy and Finance). The document should be submitted to the World Bank and IMF by June 2002 (see Annex D for a summary). The end product, which combines sectoral strategies already being implemented (Health, Education, Justice, Environment), will be used as Mali's "master plan" for poverty reduction over the next

decade. USAID/Mali's proposed Country Strategic Plan incorporates its basic tenets and complements the approaches to be implemented. The focus of the PRSP is largely on the role of the government in combating poverty, but also recognizes the need for full involvement of civil society and the private sector for such a program to be successful. There is a tacit recognition that results can and should be achieved through numerous modes of implementation, including those employed by USAID. USAID works with and through the government, but the bulk of resources are not channeled through the Malian government's budget and instead flow through use of contracts and grants implemented by private sector entities.

There is a strong possibility that the sectoral committees formed for drafting the PRSP, including the overall coordinating committee, will continue to operate after its approval. Their role will be to coordinate its implementation: ensuring close collaboration among partners, providing uniform reporting and monitoring, and administering the governments sectoral efforts. USAID will continue to actively participate as a full member of all committees for sectors related to the new Country Strategic Plan, namely Health/Population, Agriculture, Economic Growth, Decentralization, and Education. Additionally, USAID/Mali expects to continue the Strategic Objective Coordination Committee meetings to review annual workplans and progress reports with the Ministry of Foreign Affairs, key sectoral ministries, and development partners. USAID's and the Malian government's policy agendas and strategic frameworks for development must be compatible for the USAID Country Strategic Plan to be successful.

III. OVERVIEW

A. Selection of Strategic Objectives

When designing the new strategy, several basic tenets were maintained. USAID in Mali would largely build on the expertise and experience that have led to the successes achieved to date. Resource levels and "manageable interests" would largely be consistent with the current size of the bilateral program. True partnerships would be sought in financing/administering/implementing activities. Every effort would be made to use local resources, both human and material, for implementing activities. The Mission would seek to ensure that the Malian government's sectoral strategies and the Poverty Reduction Strategic Plan provide the guiding principals for the Mission's strategy and that the CSP would meld and complement Mali's own approach for reducing poverty and accelerating economic growth.

The new Strategic Objectives and Special Objective fit all these basic tenets. The areas of focus, goals, and performance measures have been fully endorsed, as all selected partners (key ministries of the government and donors) and the U.S. official mission all support the choices that have been made.

B. Relationship to Goals and Policies

Although the Poverty Reduction Strategic Plan (PRSP) has not been finalized, the CSP is compatible with the most recent draft and is compatible with the relevant sectors. Priority is given in the PRSP to education, health, and economic development. The sectoral programs emphasize implementation through the decentralization program and the empowerment of local communities that make up individual communes. The PRSP incorporates the key sectoral strategies that USAID has supported and will support in the new CSP. These are the "Ten-Year Program for Health" (PRODESS) and the "Ten-Year Program for Education" (PRODEC).

The official U.S. mission is in the process of finalizing the Mission Performance Plan 2004 (MPP). USAID/Mali is actively participating in the design, draft, and finalization of the MPP. Three principle goals reflect, to a major extent, the new CSP. They are **Economic Development** (this includes the Accelerated Economic Growth and Improved Quality of Basic Education Strategic Objectives, plus the Communications for Development Special Objective), **Democracy** (includes the Shared Governance Strategic Objective), and **Health** (this includes High Impact Health Services Strategic Objective and family planning activities). Most performance measures found in the MPP are those indicators to be used by USAID in the new CSP.

C. Rationale for Programming Focus Areas

The new CSP is nationwide in scope for such key areas as development and implementation of policy reform, establishment of norms and standards, introduction of curriculum reforms, use of new technologies and activities designed to achieve results throughout Mali. Some activities are targeted at certain age or social groups (basic education, vaccination campaigns, family planning, gender equity, high-risk groups for sexually-transmitted diseases, and producers of certain commodities) that may or may not imply nationwide coverage. Conversely, activities that focus on the local community will be targeted geographically. Our approach will be to select communities where the greatest impact can be achieved and where activities from several (if not all) our Strategic Objectives can be linked and can reinforce each other.

On the latter point, we see the need to foster economic growth activities in areas where there is the greatest need for resources to support community schools and community health centers. Also, improved governance and empowerment activities in these same communities will enhance the people's ability to manage economic, health, and education programs. Therefore, we will endeavor to collocate our community-level activities geographically. Use of the Geographic Information System will assist in this effort, as geographic locations of sector interventions can be overlaid through mapping and convergence of locality can be sought. However, USAID/Mali does not exclude any region in Mali as a possibility for receiving assistance, and we will be as inclusive as possible within the levels of resources provided. At least three districts in the North will be targeted for assistance from all strategic sectors.

We have estimated that in roughly 70% (175 communes) of the 250 communes where some form of support from USAID will be provided, there will be assistance from all sectors; health and family planning, basic education, democratic governance, economic growth and communications. For determining the communes that will be targeted for this growth, the following criteria will be used:

- In those geographic areas where USAID assistance has been provided successfully and where USAID health/family planning, basic education, democratic governance, economic growth and communications activities are planned;
- In those geographic areas where USAID assistance will have the greatest impact and the best results with the available resources;
- Where other donors are not concentrating their assistance and where fewer government resources are available; and
- Where USAID assistance will reach the largest number of people.

D. Common Themes and Linkages

Gender and equity concerns are factored into all the sectoral programs. The impact of activities on women, children, and certain age groups will be measured wherever feasible and incorporated into the performance monitoring plan as disaggregated data. Equity is also a key concern and the poor majority is especially targeted in all the programs. Other common themes woven into all sectors include sector-related efforts to control HIV/AIDS and to look for affordable solutions to health, education, governance, and income problems for most Malians.

Decentralization is a driving force that will impact all sectors, as it is the devolution of responsibility to the communal level. Management of many aspects of health, education, and economic activities are being passed to the local level. The needs of the organizations bearing these new responsibilities are large and local capabilities are small. All programs will support activities that create and/or strengthen the capacity of the local government, civil society, and private sector.

All Strategic Objectives and the Special Objective in Section V include a sub-section 5 entitled Linkages. There we describe how all the components support and affect each other (**Linkages Within SO**), how the SO components contribute to the accomplishments of other SOs (**Linkages Within Mission Strategy**), and where/how the SO collaborates and/or partners with the programs of donors and the Malian Government (**Conformance With Donor and GRM Programs**).

Another critical crosscutting approach for implementation is the use of partnerships. Partnerships leverage resources, encourage broad participation and Malian ownership, and improve the probabilities for sustainability. USAID/Mali will seek every opportunity to build alliances within our

focus areas. We will establish sustainable partnerships with civil society, the GRM, local and international NGOs, and private businesses in all sectors for the entire strategic period. It is our belief that all development in Mali must be “owned” by Malians. All alliances will be based on this fundamental concept.

E. Participatory Planning Process

USAID/Mali has used a highly collaborative approach in the development of the CSP. Starting with numerous “brainstorming” sessions held in 2001, the Mission met with its principal partners in overview discussions and in sectoral meetings. Participants included local non-government organizations (NGOs), U.S. private voluntary organizations (PVOs), the Government of the Republic of Mali (GRM) ministries (Health, Education, Territorial Administration, Rural Development, Commerce, and Communications), contractors, USAID/W, and representatives of the donor community. Over fifteen separate meetings took place. Preliminary sessions were primarily directed at receiving the views of these partners on which sectors USAID should focus its efforts, what principal problems should be tackled, and what are USAID’s comparative advantages. USAID/Mali solely facilitated the meetings, sharing information, but without sharing our opinions. Later meetings were used to discuss preliminary ideas on strategic foci, ideas drawn from internal debates and identifying synergies between activities under each strategic sector. These synergies were identified within each principal sector and now reflect the highly integrated nature of the proposed new strategy. We have devoted much effort with our partners in identifying linkages that could significantly expand the impact of sector interventions. A draft of the CSP parameters paper was shared with groups of partners and further discussions were held on the proposed strategic areas of intervention. The Parameters Paper was widely disseminated and discussed, and finally endorsed by the development community and the GRM.

From early 2001 until January 2002, major sectoral assessments were performed by USAID/contractor teams. Many of the team members are AID/W colleagues, who shared their experiences and perspectives in finalizing the full strategy. Three mandatory studies were performed, as summarized in Annex C (entitled Conflict Vulnerability Assessment, Gender Assessment and Environmental Assessment). Additional studies done over the last year include: NGO Capability Assessment, Agriculture Production and Nutrition Study, Agricultural Sector Assessment, Energy Assessment, Education in Mali Assessment, and Assessment of Democratic Governance. These and earlier analyses/studies are summarized in Annex D. Reconnaissance missions took place in the North and nationwide for the health sector. Drafts of the Strategic Objective descriptions (Section V) were translated and shared with concerned ministries, the entire U.S. mission in Mali, relevant offices in USAID/AFR and USAID/G in Washington, and donors active in relevant areas. Discussions were held with them and adjustments made to the CSP as deemed necessary. Perhaps most importantly, USAID/Mali staff, as well as many consultants and AID/Washington colleagues, went directly to the field and spent hours talking with ultimate customers, incorporating their needs into the final strategic document. (The draft was not shared with implementing partners, as this could be construed as favoritism or unfair advantage.) Meetings were held with all key ministries, culminating in a plenary session with the GRM, under the chair of the Ministry of Foreign Affairs, held in April 2002. USAID/Mali believes the CSP is the culmination of extensive collaboration and research and is a much stronger strategy because of it.

F. Strategic Alliances

Although it is premature to be assured that significant public-private partnerships will be leveraged in the CSP, we are confident that this will take place. A partnership with Cisco Systems and the University of Mali is being implemented. Collaborations with the Gates Foundation and Unilever (Ben & Jerry’s), with private U.S. businessmen interested in tanneries, sugar, and cloth, and with the Hilton Foundation (water resources) are in various stages of development. These partnerships could have significant results in the following areas; Cisco, Unilever and the University with information dissemination and use of communications technology; Gates Foundation with improved health practices; U.S. businesses with economic growth and income generation; and the Hilton Foundation with horticulture production and improved health. Until the CSP is approved and Strategic Agreements have been signed, partnerships for activities under the new CSP cannot be entered into. However, such programs as the Global Development Alliance and Public-Private Partnerships are

expected to be part of the activities undertaken under the new CSP, largely to improve the Malian economy.

G. Implementation Time Frame

USAID/Mali expects approval of the new CSP by June 2002. Immediately thereafter, Strategic Agreements will be signed with the Government of Mali and allowances will be obligated for the new Strategic Objectives (and for final funding of the current Strategic Objectives). Partnerships will be sought for implementing the various programs – through Requests for Assistance, Annual Program Statements, and Requests for Proposals – at that same time. Assuming partnerships and awards are finalized within six months, new instruments will be starting operations during the March-July 2003 period. This mobilization will coincide with completion of all activities under the current strategic plan, all of which must have completion dates prior to October 2003.

Under the new CSP, the earliest that concrete, quantifiable results can be expected is by June 2004 and at the latest by September/December 2004. An overall assessment of progress will be made by the end of FY 2005. On the basis of the assessment, decisions will be made on whether to continue the Strategic Objectives (or parts thereof) to 2012 or to terminate activities in 2007. (Note: Communications for Development Special Objective will be completed by the end of 2007)

IV. STRATEGIC OBJECTIVES

A. High Impact Health Services (SO6)

1. Development Challenge and USAID's Advantage

Mali faces daunting challenges in improving the health of her citizens. Statistically, the country is one of the worst. The threat of HIV/AIDS is very real, mortality rates at all age levels are high, and family planning has not taken hold. There are few and distant health services available to the bulk of the population, inadequate numbers of health staff and limited amounts of equipment. Healthy practices and appropriate health seeking behaviors are limited in the Malian cultural and social setting, as are financial resources necessary to meet the needs. Listed are some of the key challenges.

Health Status: Mali has extremely high rates of infant and under-five mortality, even by African standards, of 113 and 229/1000 live births, respectively. Moreover, these rates have shown little or no improvement over time. The total fertility rate in Mali is 6.8 children per women, one of the highest in sub-Saharan Africa. While other West African countries have experienced declines in this indicator, Mali's fertility has stagnated.

HIV/AIDS: While the general HIV prevalence in Mali is low, high rates in certain bridging populations underscore the necessity of maintaining a strong focus on STI/HIV prevention. Adult HIV prevalence in Mali is 1.7% (2001 DHS), with higher infection rates among women (2%) than among men (1.3%). However, the rates of sexually transmitted infections (STIs) and HIV among certain high-risk groups are much higher. For example, a Centers for Disease Control study in 2000 of six cities found a 29% HIV prevalence among sex workers and 6.2% among bus station attendants.

Causes of under-five mortality: Data sources indicate that malaria is a major cause of child deaths due to inadequate prevention and treatment. Because of low vaccination rates (22% fully vaccinated – 2001 DHS), measles and neonatal tetanus are still important causes of under-five mortality. Repeated episodes of diarrhea (19% of children had diarrhea during the two weeks prior to the 2001 DHS) increase the vulnerability of Malian children to other diseases and result in deaths due to dehydration. The DHS reported use of oral rehydration therapy in only 30% of diarrheal cases. Among children 6 to 59 months old, 68% have diets that are vitamin A deficient. Yet vitamin A supplementation is still not implemented nationwide. Eleven percent of children under five years old suffer from acute malnutrition, while 39% are stunted (DHS 2001).

Causes of maternal mortality and morbidity: Lack of family planning utilization and poor access to health services contribute to high maternal mortality (UNICEF estimated a maternal mortality ratio of 582/100,000). Other contributing factors include harmful traditional practices, early-age child bearing,

closely spaced births, unsafe abortions, and inadequate obstetrical care. One study (Sikasso region) reported that almost two-thirds of women of reproductive age are anemic, the majority from repeated attacks of malaria, 55% of which went untreated. Less than a third of pregnant women have had two or more doses of tetanus toxoid vaccine (32.1% - 2001 DHS), an indication of a low level of medical care for pregnant women.

Family Planning: High fertility negatively impacts the health and economical development of Mali. Modern contraceptive prevalence is 5.7% in Mali, one of the lowest of any USAID-supported country. Based on an annual population growth rate of 2.7%, Mali's current national population figure of 12 million is projected to increase to 23.2 million by 2020. Moreover, the DHS reports a large gap between married women who have ever used (15%) versus currently use (5%) modern contraceptives.

Government Response: In 1990, the Government of Mali adopted a health policy initiative known as "Politique Sectorielle de Sante" (PDSS), followed by a ten-year plan (1998-2007) for health and social development, and a first phase five-year strategy called PRODESS. The Government's health policy is based on the principles of Primary Health Care and the "Bamako Initiative", focused on increasing the coverage and the quality of the health system nationwide. The policy encourages communities to participate in managing and financing health care through the creation of community health committees (ASACOs), which serve as boards of directors for community health centers (CSCOMs). However, despite these worthwhile efforts, adequately staffed, equipped, and supplied community facilities are still insufficient in number.

Shortages and retention of health staff (primarily nurses) remain major problems. More than 65% of nurses, midwives and physicians work in Bamako and regional capitals, leaving large segments of the rural populations with limited or no access to qualified health professionals. At the beginning of CY 2001, of Mali's 517 CSCOMs, 228 CSCOMs (mostly in rural areas) were not functional due to lack of personnel. Yet the MOH intends to construct 150 more CSCOMs. Pre-service training is weak on managerial skills and some important technical areas (family planning, nutrition). While in-service training courses are plentiful, they divert the already scarce staff from service delivery without necessarily addressing performance needs. Supervision and its role in ensuring quality services also need to be strengthened. Despite community financing of health centers and essential drugs in many localities, there are still shortages of key commodities including contraceptives in some places, particularly in the north.

Due to the limited health infrastructure, staffing, poverty, and cultural/behavioral reluctance to demand health services, utilization of health facilities is low, with only 0.17 new visits /resident/year (MOH Report, 2001). About 40% of the population lives more than 15 kilometers from a health service delivery site (considered by WHO to be the maximum distance for access to a facility), making the delivery of health services in communities difficult.

Empowerment and action, when it comes to healthy practices and appropriate health seeking behavior, is limited in the Malian cultural and social setting. Health messages are apparently not reaching appropriate individuals, are not having the desired effect, or both. Malians are still inadequately informed about the benefits of health services. Building on elements of the culture to engender appropriate and healthy practices and behaviors is critical to reach the bulk of the population without easy access to health facilities.

Women's lack of empowerment at the health care decision-making level, compounded by financial dependency, contribute to less than desirable health seeking behaviors. Gender relations have been considered when designing High Impact Health Services (SO6). Interventions and strategies have been identified to ensure that women have access to high impact health services and that men become increasingly involved in health care decisions and behaviors. Such efforts will be facilitated through non-government organizations (NGOs) and community groups, with attention to increasing capacity among women as role models.

Improvements in the health status of target groups in Mali have lagged behind expectations. We have considered this in the determination of our strategic directions, and nevertheless see great opportunity in the coming years. SO6 will:

- 1) bring significant resources and expertise in support of key, focused interventions that address

- well-understood health problems;
- 2) build consensus with other donors on priority foci and work with the MOH in a coordinated fashion to ensure a logical, continuous process in overcoming health problems; and, building on Mali's democratization and decentralization,
- 3) catalyze community and individual actions for self-improvement and fulfillment.

This moment also coincides with the Government of the Republic of Mali/Ministry of Health's (GRM/MOH's) completion of institutional reform under the first phase of PRODESS. While the GRM and other donors may have deemed it prudent to have low expectations on health performance during phase one, phase two will demand more rigorous implementation and results achievement.

Operational approach: Our approach to increasing the use of high impact services involves three components. Building on past efforts, USAID will support increased use of health services through:

- Linking and involving communities with health services (further developing community health centers and health committees);
- Delivering key interventions within communities (further developing health center outreach activities and the impact of existing community distributors, motivators, and agents); and
- Promoting and supporting key health behaviors and practices at the household level.

Behavior change is critical: Motivating and empowering individuals and communities to take better control of their health are critical to improving use of high impact health interventions and practices. The emphasis on behaviors is intended to isolate and target the missing link in efforts of past years: while there have been considerable investments in technical and managerial staff skills, and advances in client knowledge and awareness, health services remain grossly underused, and important health indicators remain largely unchanged. The critical behaviors are described below:

- Households: understanding by families of disease prevention and benefits of family planning; recognition of life-threatening illnesses; adequate knowledge of home care and appropriate care-seeking behavior;
- Communities: community involvement in the design and delivery of behavior change strategies and in the management of health services;
- Health Providers: managing, promoting and implementing client centered services; and
- Leaders: appropriate policies and promotion of a customer focused health system and healthy behaviors by the population.

Geographic coverage: SO6 will have a nation-wide impact on the use of high impact health services by supporting activities at three levels:

- National: improving the policy environment, operationalizing management systems, expanding health promotion and advocacy, capacity building, and providing targeted support for key national programs (immunization, family planning, semi-annual distribution of vitamin A and other health products);
- District and Community: facilitating the use of high impact, customer-focused information and services in at least 12 of the country's 55 districts, including three districts in the under-served North; and
- High Risk Locations: targeting interventions at bridging populations that engage in high-risk behaviors.

Special Considerations for Operating in the Northern Regions: There are special environmental and cultural factors to be addressed when implementing interventions in the three northern regions of Mali. Behavior change and other implementation strategies will need to be tailored to nomadic and other dispersed populations. Because the health infrastructure, logistics and other management systems are weaker; more work on building basic health systems will be required. Low population density and indigent populations make community financing of health facilities more difficult. Despite these challenges, USAID's experience working with international and local PVOs, and in other rural communities in Mali will facilitate progress in these under-served areas.

The Private Sector and Community approaches are critical to implementation: This strategy will significantly expand the roles of 1) communities in managing and financing of health services, 2) international and local non-government organizations (NGOs), 3) private and social marketing of health products and services including through informal and non-traditional outlets, and 4) employer-based provision of care. The existing community involvement of health services will be expanded to include support for outreach and extension services (e.g., agents, volunteers). Promising community-

financing mechanisms such as the “*mutuelles*” insurance schemes will be replicated. Private and social marketing of health products (condoms, oral contraceptives, insecticide treated bednets, etc.) will improve access to important services. Management of sexually transmitted infections (STIs) in private sector facilities in urban areas, mining sites, agro-business sites, etc. will also be strengthened. NGOs are a proven implementation mechanism and their role will increase. “Operations Research” (OR) on other private sector mechanisms and channels (e.g., use of professional organizations, franchising) will be used and successful pilots scaled up.

Comparative Advantage: SO6 will concentrate on the implementation of results-focused, proven reproductive and child health services that will have an impact on Mali’s high fertility, under-five and maternal mortality rates. These include childhood vaccinations, vitamin A supplementation, child nutrition, malaria prevention and treatment, family planning, oral rehydration and STI/HIV prevention. Experience in Mali in working with and through NGOs will enable the Mission to work at the community level, essential for changing people’s health practices and attitudes. Successful experiences in other countries will be adapted to Mali’s circumstances and applied through a variety of instruments and approaches. With USAID’s extensive experience worldwide with child survival programming (defined as an Agency priority almost two decades ago), USAID can bring to Mali extensive lessons learned and the resources of a global network. As a pioneer in family planning service delivery and social marketing, and specialized capabilities in logistics management, USAID will apply proven techniques to increase availability of a broad range of accessible services and products. Finally, as a key contributor to the Global Fund for HIV, tuberculosis and malaria, and as Mali’s lead donor in HIV/AIDS prevention, USAID will build on the solid foundation of data sets and collaborative relationships already established.

2. Purpose and Definition

The High Impact Health Services Strategic Objective is defined as a program that “motivates and empowers individuals and communities to take more control of their health”. The purpose of this Strategic Objective (SO6) is to increase use of proven, effective health services in order to address the continued high under-five mortality, maternal mortality, and fertility in Mali. To maintain the present low rates of HIV/AIDS, the SO will also support interventions that target those segments of the population who are at high risk of infection and transmission. Given the lack of progress and constraints encountered in the health sector, we believe that USAID’s manageable interest lies in increasing the use of high impact services. Although we will be working towards reductions in mortality and fertility, these objectives are considered higher-level goals and achievement will only come from the combined efforts of all parties working in the health sector. After three years of implementation, the Mission will review progress and determine if the focus, activities, and geographic scope of the SO should be modified.

Health problems in Mali are among the worst in the developing world, and the infrastructure in place to address these issues is among the weakest. There is no shortage of places to begin. On the contrary, health care needs in Mali are so widespread that the task seems overwhelming.

In the process of forging a manageable program for USAID investments in health during the next decade, the health team thoroughly researched several options related to each problem area, and assessed potential contributions that could be made to combat the identified causes of morbidity and mortality. For example, while central MOH technical and management capabilities, including information systems, are weak, we nevertheless determined that skills and systems development at the community level (where morbidity and mortality are day-to-day occurrences) was the more compelling need for the next three to five years. Integrated management of childhood illnesses (IMCI), while potentially a useful approach, has not “taken off” in Mali, despite the considerable time, effort and resources already devoted to it. Aspects of maternal mortality, such as emergency obstetric care, require significant financial investments and specialized technical resources to be successful, but leave behind Mali’s most significant contributors to morbidity and mortality, i.e., malaria, immunizations, lack of family planning and nutrition/ diarrheal disease control. Given the traditional and cultural complexities of efforts to reduce the incidence of female genital cutting, interventions will, at least initially, be limited to sensitization through Information/Education/Communication (IEC) activities. And while the number of abortions seem to be somewhat on the rise, post-abortion care and its likely urban focus is seen as less of a priority than a more standard, proven family planning program, although post-abortion services may be incorporated within appropriate settings.

USAID/Mali facilitated and oversaw an extensive and highly consultative process to identify priorities and weigh them against potential impact, USAID comparative advantage and cost. The GRM/MOH, all implementing partners, other donors, other teams, USAID/W and customers participated in the process. In addition, we reviewed several documents (see Annex D), and we commissioned key studies. The latter include a PVO assessment, malaria strategy, donor mapping, an assessment of family planning in Mali, role of private sector, community financing, MCH assessment, and a north “assessment”. These were conducted either in-house, with outside contractors, with USAID/W personnel, or a combination of these.

Based on three sub-sector assessments and the Mission’s own internal reviews, this strategy diverges from its predecessor by:

- Concentrating on the implementation of high impact, proven reproductive and child health services that will have an effect on Mali’s high fertility, under-five and maternal mortality rates (rather than accompanying the evolution of these improvements through generational behavior changes);
- Targeting populations according to the nature of the problems being addressed (rather than concentrating on youth);
- Decreasing emphasis on youth promotion and networks, school-based services, and peer education for reproductive health, while capitalizing on advance already made;
- Focusing PVO/NGO efforts more on services facilitation rather than on direct implementation (as is done in other similar countries), thereby widening and expanding geographic focus.
- Initiating implementation in the Northern regions;
- Significantly expanding the roles of the private (non-public) sectors including empowered communities, international and local PVOs/NGOs, private and social marketing firms including non-traditional outlets, and employer-based health services for implementing the program;
- Increasing support for widely proven and accepted family planning activities (training, Information/Education/Communication tools (IEC), logistics, etc.)
- Significantly increasing efforts on creating demand for high impact services at the community level;
- Operationalizing proven management tools developed under USAID’s previous strategy, especially those most closely linked to the use of high impact health services (e.g., norms/procedures, IEC messages, integrated supervision guide);
- Reducing the production of new management and quality improvement tools;
- Rationalizing and reducing the time and cost of in-service training by operationalizing the national in-service training strategy designed with USAID support; and
- Consolidating the work and reducing the number of implementing partners.

Listed below is the minimum package of interventions that are expected to have the highest impact in reproductive health and child survival in Mali. Selected interventions:

- 1) address the outcomes and conditions which contribute most to achieving reductions in high mortality and fertility (see Section I);
- 2) are considered feasible in countries like Mali;
- 3) can be cost-effectively integrated into existing delivery mechanisms such as ante-natal care and community outreach; and
- 4) can be expanded, such as by conducting semi-annual “vitamin A distribution” and “health day” campaigns and more community outreach activities.

Other interventions noted below may be delivered in USAID-supported intervention areas depending upon their local impact, feasibility, and cost (including additional maternal health/safe motherhood services).

- Childhood vaccinations (including the vaccines to be introduced with support of the Global Alliance for Vaccines and Immunization) and tetanus toxoid for women of reproductive age
- Twice yearly vitamin A supplementation of children integrated with iron-folate supplementation for pregnant women
- Best practices in Mali of growth monitoring, promotion and child feeding (e.g., exclusive breastfeeding)

- Promotion of insecticide treated bednets/materials and prompt and effective treatment with appropriate anti-malarials, including presumptive treatment of pregnant women at selected intervals
- Promotion of appropriate home fluids and oral rehydration salts for treatment of diarrhea
- Family planning information and services through the public and private sectors, including social marketing and community based distribution of contraceptives
- Comprehensive and well-proven family planning program interventions (training, IEC, logistics, etc.)
- Full range of proven and effective family planning interventions and approaches implemented at all levels including: social marketing, contraceptive logistics, communication, advocacy, behavior change and IEC appropriate training and management support
- Community-based distribution and operations research
- Prevention of STI/HIV transmission, with a special emphasis on bridging populations.

To prevent the HIV/AIDS epidemic from escalating, SO6 will support interventions targeted at populations that engage in high-risk behaviors. There will be a continued emphasis on maintaining the surveillance system (including behavioral surveillance) in order to monitor HIV trends and allow timely warning of any changes in prevalence. Under the Agency's approach HIV/AIDS "Stepping Up the Response", Mali has been classified as a non-priority country. However, a country may become a priority country for assistance if HIV and STI surveillance data indicate impending changes from concentrated to generalized epidemics.

Key Indicators at the SO Level:

- Percentage of pregnant women receiving intermittent presumptive treatment for malaria.
- Percentage of pregnant women using insecticide-treated bednets.
- Percentage of children 6-59 months old receiving Vitamin A supplementation.
- Percentage of children 12-23 months old fully vaccinated prior to first birthday.
- Percentage of children 12 months old who have received DPT3.
- Percentage of children 6-59 months with diarrhea receiving ORT.
- Percentage of high-risk population using condom, last sexual intercourse.
- Contraceptive prevalence rate modern methods, women of reproductive age.

By 2007 and by 2012, it is targeted that:

- Percentage of pregnant women receiving intermittent presumptive treatment for malaria will improve from a baseline of 15%, to 45% and to 60% respectively;
- Percentage of pregnant women using insecticide-treated bednets will improve from today's 3%, to 30% and to 52%;
- Percentage of children (6-59 months old) receiving Vitamin A supplementation will increase from 32%, to 45% and to 62%;
- Percentage of children (12-23 months old) fully vaccinated prior to first birthday will increase from 21.5%, to 30% and to 52%;
- Percentage of children (12 months old) who have received DPT3 will climb from 34%, to 50% and to 62%;
- Percentage of children 6-59 months with diarrhea receiving ORT will expand from 30%, to 50% and to 67%;
- Percentage of high-risk population using condoms during last sexual intercourse will increase from 44.8%, to 65% and to 80%; and
- Contraceptive prevalence rate for modern methods, women of reproductive age, will progress from 5.7%, to 8% and to 11%.

In all instances, USAID will collaborate with other donors in support of GRM/MOH efforts. We are hopeful that good, constructive partnerships will enable even greater successes than those shown.

3. Intermediate Results

Service use by clients depends on a **supportive policy environment (IR 1), creating the demand for services (IR 2), increasing access to services (IR 3), and improving the quality of services (IR 4)**. By addressing these areas, populations are more likely to seek out health services (i.e., adopt positive health care behaviors), which in turn will be manifested in increased use of high impact health services, resulting in improved health status. Implementation of this SO will be through work in the four Intermediate Result areas discussed below.

a. IR 1: Policy environment for high impact health services established

Strong political commitment, sectoral reform, effective health policies, and participation and advocacy by opinion leaders are needed to improve the environment for increasing access to, and eventual use of, services.

Although there have been some achievements under the GRM's Health Sector Development Strategy (the PRODESS), implementation has been hampered by failure to address pressing problems in human resources (e.g., the lack of health workers for community health facilities), GRM financial management and community health financing, organization of the public sector, and collaboration and coordination among public and private sector entities. The resolution of these sectoral health problems is beyond the manageable interest of USAID alone. Under this Intermediate Result (IR), USAID will actively support the existing multi-donor reform process (a GRM/MOH task force for the development of human resources has already been established) through policy dialogue and provision of targeted technical assistance.

Moreover, IR 1 will directly address the key health policy issues that are within its manageable interest and directly impact on the achievement of the SO (i.e., improving use of high impact services). These include identifying and standardizing (through national guidelines and tools) the best practices for the

delivery of community based services outside the reach of health facilities, including through community agents, volunteers, outreach and community based distribution. As a result, these existing community based mechanisms will be further developed and become a national programming strategy, rather than isolated pilot activities. The standardized guidelines will consider what is known about communities' preferences for qualifications of community agents, including gender, age, literacy skills, etc. Under this IR, USAID will also promote family planning including contraceptive security and disseminate a national AIDS policy and advocacy tools. Although not foreseen in the early stages of implementation, IR 1 will further promote the role of the private sector in the delivery of services during the life of this strategy.

The placement of the policy environment including identifying and standardizing best practices for community-based services in IR 1 represents the critical importance of political support to the program's successful implementation, as well as its early-on phasing. While at least some aspects of all Intermediate Results (IRs) will be addressed at SO launch, we nevertheless anticipate that efforts under IR 1 will be the primary focus of SO6 activities during the first full year of implementation, as a necessary prelude to successful implementation of activities under the remaining IRs. This is particularly the case in relation to the majority of activities to be carried out at the district level.

Illustrative activities:

- Promote and subsequently help design national policies, guidelines, and tools for community-based services beyond the reach of health facilities (including job descriptions, performance standards, reporting forms, job aides, training programs, supervision guidelines for community agents).
- Strengthen the contraceptive security coordination group; develop a policy and implement a long-term plan.
- Support the development and dissemination of a national HIV/AIDS policy.
- Provide targeted, short-term technical assistance to implement the PRODESS health reform process.
- Expand private sector service delivery models.

Key Indicators:

- Family planning/contraceptive security development (degree of accomplishment).
- Community agent role/guidance development (degree of accomplishment).

b. IR 2: Demand for high impact health services increased

Increasing demand for services is essential to increased use. There is urgent need to improve knowledge of and attitudes toward these services. USAID will counter widespread misperceptions (sometimes "documented" in studies conducted in Mali) on such topics as the association between condom use and fertility; incorrect definitions of "exclusive" breastfeeding; immunization associated with morbidity; the harmful effects of female genital cutting; etc. Effective communication (including through the well developed Malian radio network) is key to any attitude and behavior change intervention, including at the level of the individual, relating to decision-making within a family, and at the national policy level (advocacy). Communications strategies will be used to improve knowledge, counter misperceptions, and motivate individuals, families, managers and decision-makers to take action and improve public health.

National Level: Compared to past strategies, Health SO6 will support a larger, more comprehensive communication and behavior change program in reproductive health and child survival that will use a wide variety of channels, including mass and traditional media, interpersonal communication, national advocacy, and social mobilization to target key populations (policy makers, health managers and providers, communities, individuals and families). There will be a strong customer focus to all programs, including message content and medium depending on target audience (men, women, decision-makers, etc.) and issue being addressed (e.g., it may be more important for women to understand the importance of childhood vaccinations and good reproductive health practices), and clients' rights. Social and private sector marketing will be expanded in quality and scope (e.g., insecticide treated bednets to prevent malaria). STI/HIV behavior change activities will be targeted at high-risk populations such as sex workers and truckers.

Intervention Districts. Many of the child and maternal deaths in Mali are preventable, take place outside of the formal health system, and are associated with inappropriate health practices and behaviors. For example, despite the unmet need, the demand for family planning is low. In USAID-supported intervention districts, NGOs and women's social networks will support behavior change activities to promote health, family planning, and illness prevention (e.g., exclusive breastfeeding, appropriate child feeding, use of bednets, the importance of immunization, health benefits of family planning). In addition, the Health Program will develop and implement behavior change programs to allow rural women and men to better recognize danger signs for and evidence of severe illness, provide appropriate home care, seek appropriate care, and accept referrals for additional care when recommended by health providers.

USAID will conduct studies to identify obstacles to the adoption of positive behaviors and help identify message content, target groups, and media approaches that will help overcome these obstacles. While efforts under IR 2 will be long-term, it is essential that communications and marketing planning (including research and message development) begin early on in the SO, so that demand creation coincides with increased supply in products and services (see IR 3).

Illustrative activities:

- Conduct advocacy (all levels) and provide advocacy training in topics such as the effects of high population growth on national development and the impact of closely spaced births
- Use previously effective messages, develop and implement client-focused, community level IEC materials: family planning benefits and side effects; bednet use and retreatment; exclusive breastfeeding; and consequences of female genital mutilation;
- Strengthen social marketing of contraceptives and include child survival and health products (bednets and oral rehydration salts) and services.
- Develop and implement behavior change communication approaches targeting high-risk populations in mining areas, transport corridors, etc. for STI/HIV prevention (e.g., peer education).

Key Indicators:

- Couple years of protection, showing use of various birth control commodities
- Number of insecticide-treated bednets sold (target areas)
- Percentage of target population seeking STI care at service delivery sites (target areas)

c. IR 3: Access to high impact health services increased

Health services in Mali are grossly underused, with only 0.17 new visits/resident/year (MOH Report, 2001). Although the GRM has had some success expanding the first level service delivery infrastructure, still 41% of the population lives beyond 15 kilometers of a health service delivery site (considered by WHO to be the maximum distance for access to a facility). The combination of difficult terrain, insufficient health infrastructure, long distances to reach service delivery points, the frequent unavailability of a particular product or service, and insufficient and under-qualified staff severely limit utilization.

National Level: At the national level, the Health Program will support; the expansion of social marketing delivery points for contraceptives; introduction of insecticide-treated bednets to prevent malaria; and oral rehydration salts (ORS) for diarrhea treatment. USAID will help institutionalize the national, semi-annual distribution of vitamin A to children 6 months to 59 months (integrated with iron folate distribution to pregnant women). Operations Research will be conducted to further integrate intermittent presumptive treatment for malaria for pregnant women into this distribution. USAID will expand support for immunizations for measles and neonatal tetanus; and USAID will assist with the planned integration of hepatitis B and routine yellow fever vaccinations (as approved by the Global Alliance for Vaccines and Immunizations). To dramatically improve access to and use of family planning services, USAID will support a large, comprehensive family planning program, including; provider training, expanded social marketing and community-based distribution of contraceptives, expanded birth control method mix, procurement and improved distribution and logistics of contraceptives, IEC activities (as noted in IR 2), and Operations Research.

Intervention Districts: To improve access to services in intervention districts, USAID and its NGO partners will work with other donors and the GRM to fully implement the national policies, guidelines,

and tools (developed under IR 1) for community-based services beyond the reach of health facilities. These guidelines and tools (e.g., job aides, IEC materials, supervision checklist, registers) will improve the effectiveness of the existing community-based distributors, agents, volunteers, and outreach mechanisms. This will better link communities with health services, expand the delivery of high impact interventions within communities, and promote and support key behaviors (as described in IR 2). NGOs will work with communities to resolve staffing shortages in their community-managed health centers; and will also assist with further elaborating health financing options to help communities achieve their cost recovery targets while addressing the needs of indigent populations.

The basic package of high impact services identified in the SO definition above include key, scaleable interventions for maternal health (e.g., intermittent treatment for malaria, iron-folate supplementation) and nutrition (e.g., vitamin A supplementation, exclusive breastfeeding). Given the importance of these outcomes, NGOs will further develop best practices in these areas, and replicate pilot interventions at the district level (e.g., birth preparedness, the Hearth positive deviance model) that could be implemented effectively at scale.

STI/HIV: For STI/HIV prevention, the Health Program will expand the availability of services targeted at high-risk groups and target populations nationwide, including condom promotion and voluntary counseling and testing. Advocacy and planning for other nationwide activities (e.g., family planning promotion, bednet marketing) are already being implemented on a small scale in anticipation of expansion. District level activities will be phased in only after IR 1 guidelines and tools have been developed and ratified, and will integrate IR 3 national level activities as they are established, i.e., by year two of the strategy.

Illustrative activities:

- Operationalize community-based service guidelines, job descriptions, and tools.
- Expand private distribution of contraceptives and child survival commodities through community-based social marketing and other means.
- Strengthen and expand programs for immunizations to reduce dropouts and expand outreach services for routine immunizations.
- Help implement the nationwide implementation of semi-annual micronutrient days including vitamin A supplementation, iron folate distribution to pregnant women, and possibly intermittent presumptive treatment of malaria.
- Strengthen priority services for high-risk STI/HIV population including STI management and voluntary counseling and testing.
- Support the establishment of insurance schemes (*mutuelles*).

Key Indicators:

- Number of community agents established (target areas).
- Number of fully staffed CSCOMs (target areas).
- Number of districts that conduct two district-wide Vitamin A distribution activities per year (target areas).

d. IR 4: Quality of high impact health services improved

National: At the national level, USAID will address quality of services including performance of health providers by supporting the development and strengthening of training, supervision and logistics systems. USAID has been instrumental in the design of policies, norms, and procedures (which include client welcome and procedures to respect the client's privacy), integrated supervision guidelines, and a national strategy for in-service training for health providers. Under this IR, USAID will continue to collaborate on the process of implementing these instruments at every level of the health system. Training and supervision will be key to improving provider knowledge of family planning and removing medical barriers that limit use of services (e.g., many providers impose unnecessary laboratory tests). Better logistics management will improve the supply of contraceptives, vaccines, and other essential drugs critical to delivering high impact services. The application of standardized job descriptions, training courses, supervision guidelines, and IEC materials for community volunteers will strengthen the delivery of family planning, vaccination, and other services. USAID will contribute to improving the quality of the national immunization program through strengthening safe injection practices, training of providers to reduce dropouts, and increasing the accuracy and use of vaccination data for decision-making. A more focused use of epidemiological

data will improve the quality and effectiveness of STI/HIV activities (e.g., targeting groups and locations for interventions).

Intervention Districts: In Health Program-supported areas, NGOs will fully implement the policies, norms, and procedures, supervision standards, and proven management tools by training and providing simple job aids to health providers and community agents. Through this approach, prevailing provider biases and practices that restrict the use of services by women (e.g., age restrictions on provision of hormonal contraceptives) will be reduced. The Program will enhance the quality of outreach services to outlying communities by improving logistics, assuring more comprehensive services (beyond immunization), and encouraging regular supervision. In addition, based on the norms that will be designed under this IR, NGOs will organize, train, and facilitate the supervision of community agents and volunteers/animators, so that they can deliver a small package of nationally agreed upon essential services. NGOs will also conduct selected Operations Research to test possible expansion of community-based services (sale of anti-malarials by community volunteers).

Capacity Building: The Health Program will continue to support capacity building at all levels. This will include targeted support of pre-service training to complement the substantial support envisioned in PRODESS and at the macro level for MOH management and leadership capacity. Reflecting the importance of behavior change, communication, and IEC in this strategy, USAID will strengthen selected public and private sector communication and IEC organizations. USAID will also support capacity building of key local NGOs involved in field implementation of its program. Finally, USAID will complement the support provided by other donors to implement the human resources reform agenda included as a key item of the PRODESS.

Many national-level IR 4 activities (e.g., in- and pre-service training strengthening, systems improvements) are a continuation of activities being implemented under the previous strategy; hence, these will be ready for rapid expansion. District level activities will be phased in as management tools and job aids are operationalized, and will integrate IR 4 national-level activities as they evolve and become operational.

Illustrative Activities:

- Development of standardized job descriptions and norms for training existing and new community agents, mobilizers, and volunteers based on development of simple job aids and materials to establish the approved policies, norms and procedures.
- Provision of technical assistance to improve contraceptive, vaccine and essential drug logistics at the national level and within NGO areas.
- Support for HIV/AIDS sentinel surveillance and behavioral surveillance.
- Provision of short-term technical assistance to strengthen pre-service training institutions and to design appropriate curriculum revisions.

Key Indicators:

- Number of fixed service delivery site providers who correctly apply policies, norms and procedures for high impact services (target areas).
- Number of community agents who correctly apply performance standards for high impact services (target areas).
- Percentage of community health centers reporting stock outs for contraceptives (target areas).

4. Contextual Assumptions

Implementation of SO6 has its share of risks and challenges. Possible reduction in household revenues, lack of GRM commitment to promotion of family planning, and changes in the mechanisms and level of HIV /AIDS funding, are real risks to the program as planned. Reduction of cash flow at households would result in less use of health services offered by the CSCOM and, consequently, less money available for CSCOM operational costs. USAID-supported economic growth activities in the same geographic intervention areas, such as micro-finance, and rice/livestock production, would mitigate the effects of this eventuality.

Family planning is the cornerstone of maternal and child health promotion. Lack of real commitment to family planning by the GRM would likely impede the viability of such interventions. Given considerable resources already invested by USAID in family planning here, GRM indifference could jeopardize USAID's continued support, including provision of contraceptives. To deter this, the Health Team will work strategically and build consensus among donors, will foster support for a new vision of family planning as a key factor for economic growth and poverty reduction, and will engage civil society, religious leaders, women's groups and others to advocate for family planning.

Mechanisms and levels of HIV/AIDS funding from USAID could change and HIV/AIDS programs may be funded regionally. This could complicate USAID/Mali's relationships with GRM departments involved in fighting HIV/AIDS. When and if this occurs, the SO team will need to ensure that bilateral program linkages with the GRM are maintained, and explore other mechanisms for mobilizing resources.

Despite the high poverty rates, there has been continued political and social stability and there is little reason to believe this will change in the upcoming years. Nevertheless, it is important to be ready to adapt to changing circumstances. War or a natural disaster in a neighboring country or in the region could engender a flow of refugees, dilute political will, economic resources and programmatic commitment. In the case of a drought, increased poverty, malnutrition, hunger, and societal inequities could occur. In such situations, the SO team would need to work with humanitarian programs, and quickly change the program focus.

Achievement of results under this SO is also dependent on a few critical assumptions that have been made. Although current implementation is slow, USAID believes that the GRM will make reasonable progress implementing the PRODESS and that the donors will be willing to support a follow-on five year plan beginning in 2003. Another assumption is based on donor support and collaboration. USAID/Mali will not be able to achieve results without other donors' contributions. For example, we believe that UNICEF and the Global Vaccine Fund will support the procurement of key vaccines and that UNICEF will continue to supply all needed vitamin A capsules. Finally, achievement of the strategic objective is based on the assumption that funding levels will be available at the target levels or higher if the need is demonstrated, for the next ten years.

5. Linkages

a. Linkages Within SO

In order to achieve the Strategic Objective, strong links among the IRs are essential. Under IR 1, USAID and other donors will work with the GRM to develop a framework for delivering community health services beyond health facilities and promoting healthy behaviors among individuals and families. This policy framework, once operationalized within IR 3, will substantially improve the availability of services to communities and enhance multi-donor coordination in reproductive health and child survival. Activities under IR 2 will increase the demand for these critical services and improve key knowledge, attitudes, and practices. The quality improvement achieved under IR 4 will further increase acceptance and use of high impact services.

For example, the use of bednets will be increased through effective private sector distribution through community-based non-traditional vendors, effective behavior change messages, and effective information provided by community agents, mobilizers, and outreach workers. Adequate management and logistics of the program will assure the continued supply of these commodities to communities. This requires that elements of all Intermediate Results work together to ensure the success of the malaria bednet program.

b. Linkages Within Mission Strategy

Health status and the ability to seek and receive prompt health care contribute most directly to SO7 (Improved Quality of Basic Education) and SO9 (Accelerated Economic Growth). A child's healthy start in life will determine his/her ability to learn and to participate in the classroom. Economic growth depends on human productivity, which in turn depends on maintenance of good health status. Steady or improved family income will also increase the likelihood that the family can "release" a child from agricultural work to attend school, contribute to school costs and seek health care -- an interconnected chain.

Activities under SO8 (Shared Governance through Decentralization) and SpO10 (Communications for Development) will be mutually reinforcing with those of SO6, i.e., each will be working with SO6 structures and organizations, and by doing so, will contribute to improved health care management and health promotion.

The following are key cross cutting themes that can be linked and support the objective of "Increased use of high impact health services":

Improved Quality of Basic Education (SO7): The reproductive health activities and behavior change activities under SO6 will reinforce the empowerment of women resulting from girls' education. Certain behavior change initiatives under SO6 (such as family planning) will also target school age populations. SO6 will encourage school referrals to health services through the efforts of local NGOs. Use of high impact services will increase when literacy rates among women of reproductive age are improved.

Shared Governance through Decentralization (SO8): Service delivery will be enhanced by ensuring an enabling environment at the community level, where services are delivered. Mobilization and use of community resources (including budgeting, referrals and community support mechanisms) are essential for successful decentralized health care. Community financing and managing of health facilities will be reinforced within NGO-supported areas through support for planning, management, and advocacy. Women's groups will be promoted and/or strengthened to support and encourage healthy behaviors and support the role of women in health care management and decision-making.

Accelerated Economic Growth (SO9): Financial and other family resources are inevitably required for health care. Nevertheless, even knowledge of good health practices often does not lead to expanded use of services if there is a lack of funds to pay services fees and/or to purchase essential drugs. Increasing access to health services and promoting healthy behaviors, such as nutrition, can be enhanced through linkages with income generating programs. Credit and savings programs, especially for women, can result in increased access to health care. For example, IEC activities

linked with income generation programs at the household and community levels can improve decision-making and priority setting on the use of available funds.

Communications for Development (SO10): Communications in various media are basic tools for bringing about attitude and behavior change interventions, whether at national policy or community levels. Collaboration with SpO10 will provide an opportunity to maximize communication and behavior change interventions, especially for family planning, HIV/AIDS control, and child survival. In addition, capacity-building activities will be enhanced through utilization of the Internet for distance learning, particularly targeting health organizations and health personnel.

West Africa Regional Program (WARP): Infectious diseases do not respect borders. Similarly, infected individuals, be it with the HIV or malaria, may not be aware of their status, or may be purposely crossing borders in search of treatment or anonymity. SO6 will collaborate with the WARP to address those health issues that are “border insensitive” and apply interventions that have a regional base or significance. For example, activities concerning migratory routes of transient populations, among whom HIV infections are typically higher than those of the general population, will be strengthened with the WARP. Commodity procurements that could benefit from economies of scale, such as insecticide-treated bednets, contraceptives and HIV rapid test kits, will be made in coordination with the regional program. Finally, extensive IEC materials and technical expertise developed by the WARP will be applied in SO6.

Capacity Building: Capacity building is an important factor in promoting the sustainability of health services. Human resource constraints are apparent both on the national and the community levels. Provision of services in rural communities is challenging due to the lack of qualified personnel who are willing to work in isolated areas of the country. Pre-service training and strengthening knowledge of community leaders and decision makers will help to improve the health care system. In addition, capacity building among NGOs will increase performance in the private sector.

c. Conformance With Donor and GRM Programs

The USAID program will be implemented in close collaboration with the Ministry of Health and with other donors and development partners. All donors work together within the context of the Government of Mali's ten-year health sector program, “PRODESS,” described in Section V.A.1. Development Challenge and USAID's Advantage. While USAID is currently the health sector's largest donor in Mali, the World Bank leads the sector based on a sector-wide approach of providing direct budgetary support to the Ministry of Health. Other participating donors include the European Union, the Netherlands, the France, Germany, Canada (Kayes region) and other bilateral and multilateral donors. USAID will not directly contribute to the funding basket until capacity at the Ministry level is significantly improved, and will make other direct contributions, such as procurement of contraceptives. In addition, USAID will play an active role in discussions and activities designed to move PRODESS forward and provide technical assistance in key policy reform areas (e.g., health financing, curriculum reform).

The GRM's Poverty Reduction Strategy includes increased access to social services as one of its ten strategic areas. At the community level, emphasis will be placed on behavior change and community/beneficiary participation. At the service delivery level, access to services, service quality and use, and human resource management will be improved. USAID's proposed efforts are consistent with the GRM's emphases.

USAID will continue to coordinate closely with UN agencies, especially UNICEF, UNFPA and UNAIDS. UNICEF and the UN Foundation are using a similar approach to USAID's. They are focusing on selected, high impact interventions in nine districts over the next three years. This will allow the country to be progressively covered with a coordinated, donor-supported approach to address under-five mortality and fertility. UNICEF also supports the semi-annual vitamin A supplementation program, which, with USAID assistance, will expand nationwide. WHO also shares USAID's objectives and approaches in malaria. UNFPA supports a range of reproductive health activities primarily in the Kayes, Sikasso and northern regions, and also procures some contraceptives. To help improve coordination, USAID has also developed a donor map that identifies activities by geographical area and by donor. This tool, designed to diminish redundancy and identify any programmatic gaps, will be updated as needed.

USAID is the lead donor in HIV/AIDS and an active member of the National Coordination Committee on HIV/AIDS Prevention under the aegis of the Programme National de la Lutte contre la SIDA. USAID's HIV interventions conform to the National HIV/AIDS Strategic Plan for 2001–2005. USAID will continue to work collaboratively with partners and donors to plan and execute activities in support of the HIV/AIDS Strategic Plan.

The World Bank supports the PRODESS and provides assistance to the Government of Mali through the Initiative for Heavily Indebted Poor Countries (HIPC). To address difficulties rural populations face in cost recovery at the CSCOM level and, therefore, in access to health services, the MOH is using HIPC financing as a mechanism for health personnel recruitment of CSCOM medical staff in extremely disadvantaged areas. Other donors support different parts of the PRODESS including construction of additional CSCOMs, particularly in the under-served North. In addition, NGOs support community health through support of community outreach, training and supervision.

Across sectors it will be necessary to improve and enhance a working environment for donor community coordination of interventions. This will involve continued informal contacts among core groups and sustained direct exchanges and consultations on the programmatic and implementation level of service delivery. The SO6 efforts will complement and support those of other donors working in reproductive health and child survival, specifically UNICEF, UNFPA, the Netherlands, the European Union, the World Bank, and WHO. A health sector sub-committee, under the aegis of the PRSP, will be formed shortly and USAID will be an active member.

6. Instruments

Institutional Support: To provide the national level support envisioned under this program, USAID will solicit proposals from institutional contractors and other non-governmental organizations. The awardee(s) will provide key support for the national level immunization, vitamin A supplementation, nutrition, malaria, family planning programs. Support for behavior change interventions may be provided by a bilateral awardee or through Field Support (Indefinite Quantity Contract). Also, long-term training for Malians may be provided in instances where crucial expertise is not available locally in areas directly related to implementation of some aspect of the program.

Non-Governmental Organizations (NGOs): Once the political environment and national standards for community services are established, U.S. NGOs will undertake field implementation in target districts. The Request for Assistance or Annual Program Statement issued by the Mission will solicit applications from NGOs who are able and willing to cover a minimum of 3 districts each (12 districts total, including 3 in the North). This will involve the NGOs facilitating rather than directly implementing high impact interventions. Having NGOs cover larger geographic areas will permit the Mission to reduce the number of its NGO partners. Some U.S. NGOs may implement through qualified, local NGOs. It is anticipated that activities in three northern districts will be implemented through a separate mechanism, located in the North.

Social Marketing: USAID will implement its social marketing program under a separate assistance instrument.

HIV/AIDS: Under the Agency's approach HIV/AIDS 'Stepping Up the Response,' Mali has been classified as a non-priority country. For non-priority countries, this new approach to HIV/AIDS anticipates the transfer of responsibility for management of HIV funds and programs to USAID's regional centers in Africa over the next two years. Bilateral programs are expected to work closely with regional advisors to identify programmatic needs based on local and regional epidemiology. The response emphasizes the need to target high-risk groups and maintain credible surveillance systems in lower prevalence countries. Nevertheless and given decisions still being made, until this is finalized, USAID will continue to work with the Centers for Disease Control through a PASA mechanism.

Targeted Field Support: USAID will use USAID/Washington field support mechanisms for targeted technical assistance to address important programmatic gaps and to provide selected support, as needed, for the implementation of the PRODESS (e.g., short-term TA in health financing, curriculum reform).

Non-Project Assistance: Direct support to the Malian government, in the form of Non-Project Assistance, may be considered for programs relating to human resources reform, training of government staff or certain elements of the Ten-Year Health Strategy. This will only be considered in instances where the Malian government has clearly demonstrated effectiveness of implementing such programs independently.

Common Indicators for Implementing Partners: Program reporting requirements for all USAID-funded partners (contractors or grantees) under this SO will be required to track performance on the basis of performance measure indicators set as part of the expanded SO Results Framework.

Results Framework for SO6

Increase Use of High Impact Health Services

Overall Indicators:

**In Target zones

- Percentage of pregnant women receiving intermittent presumptive treatment for malaria ** (annual)
- Percentage of pregnant women using insecticide-treated bednets ** (biannual)
- Percentage of children 6-59 months receiving 2 Vitamin A supplements/year (USAID/W) ** [annual]
- Percentage of children 6-59 months who had a case of diarrhea and received ORT (USAID/W) ** [biannual]
- Percentage of children fully vaccinated prior to first birthday** (biannual)
- Percentage of children under 12 months old with DPT3 prior to 1st birthday** [biannual]
- Percentage of high risk populations using condom with last non-regular partner (USAID/W) [ISBS, triennial]
- Contraceptive prevalence rate (USAID/W) [DHS]

Development Context:

- Infant mortality rate [DHS]
- Maternal mortality rate [DHS]
- Total fertility rate [DHS]
- TT for pregnant women [DHS]
- HIV seroprevalence [DSH]

Additional Indicators needed for USAID/W:

- Total condom sales (USAID/W) (annual)
- DPT3 for under 12 month olds (USAID/W) [annual]
- Number of partners during past 12 months among high-risk population (USAID/W) [ISBS, triennial]

Risks:

- Government commitment to PRODESS diminishes
- HIV/AIDS funding not available bilaterally
- Families' income drops
- Lack of government commitment to family planning

High-Impact Services:

- Child vaccination
- Child Vit A Supplements
- Child nutrition
- Malaria prevention/treatment
- Family Planning
- Home fluids for diarrhea
- STI/HIV prevention

Intermediate Result 1

Policy environment for high impact services established

Indicators:

- Ind 1.1: Milestone scale for implementation of contraceptive security policy
- Ind 1.2: Milestone scale for community agent role/guidance development

Intermediate Result 2

Demand for high impact services increased

Indicators:

- Ind 2.1: Couple years of protection (CYP)
- Ind 2.2: Number of insecticide-treated bednets sold** (USAID/W)
- Ind 2.3: Percentage of target population seeking STI/HIV care at fixed service delivery point** (ISBS, triennial)

Intermediate Result 3

Access to high impact services increased

Indicators:

- Ind 3.1: Number of community agents established**
- Ind 3.2: Number of fully staffed CSCOMs**
- Ind 3.3: Number of districts that conduct 2 district-wide Vit A distribution activities per year**

Intermediate Result 4

Quality of high impact services improved

Indicators:

- Ind 4.1: Number community agents who correctly apply performance standards for high impact services**
- Ind 4.2: Number of fixed CSCOM service providers who correctly apply PNPs for high impact services**
- Ind 4.3: Percentage of CSCOMs reporting stockouts for contraceptives**

Illustrative Activities

- Design national policies and guidelines for mobile community agents and other non-public service delivery models (including performance standards)
- Strengthen contraceptive security coordination group and develop long-term plan
- Provide TA to MOH to develop national HIV/AIDS strategy
- Support HIV Policy development
- Provide short-term TA to implement PRODESS health reforms

- Conduct advocacy training on population growth, birth spacing
- Develop and disseminate IEC materials for fixed CSCOM and community-level
- Expand and strengthen social marketing for contraceptives to include: bednets, ORS, and related services
- Develop and implement behavior change communication approaches for FP, HIV prevention
- Expand use of local radio, new ICT
- Conduct health promotion through literacy materials, APES

- Operationalize policies for community-based services
- Expand microplanning for immunizations
- Assist national implementation of Vit A days
- Strengthen services for high-risk populations
- Expand community-based distribution of commodities
- Establish insurance schemes & IGAs
- Establish public/private partnerships
- Strengthen ASACO management/good governance

- Train community agents
- Strengthen pre- and in-service training
- Develop job aids to implement policies, norms and procedures (PNPs) for high-impact services
- Strengthen HIV/AIDS sentinel and behavioral surveillance
- Improve commodity logistics and management
- Provide literacy training, community agents

B. Improved Quality of Basic Education Strategic Objective (SO7)

1. Development Challenge and USAID's Advantages

Mali is in the midst of an all-encompassing education reform and decentralization process. At the end of 1999, the GRM adopted an ambitious ten-year plan, PRODEC, as the blueprint for this effort; its goal is to achieve 95% gross enrollment in primary schools by 2008 (93% for girls) and universal primary enrollment by 2015. Through PRODEC, the Ministry of Education (MOE) seeks to decentralize decision-making, localize teacher training and professional development, and make communities more fiscally responsible for education. At the same time, the MOE has: begun development of a national curriculum for grades one through nine that is both competency-based and contextually relevant to the lives of students and their families; introduced an active learning methodology; and introduced a form of bilingual education that uses maternal languages in lower grades transitioning to French in upper grades. While the GRM and its financial/technical partners are committed to achieving the goals of PRODEC, the MOE faces limiting factors. Most notable are:

- severe teacher shortage, particularly female teachers;
- teachers untrained in the new curriculum and pedagogy;
- no policy for pre-service or in-service education;
- lack of space in existing schools or absence of classes;
- lack of strategies and actions that address poor female participation in school;
- low book:student ratio;
- limited information technology and ability to analyze data;
- heavy financial burden on rural communities that host community schools;
- per diem-funded workshops for training and other reform-oriented tasks;
- low level of female participation at the decentralized level;
- poor health status and health awareness of youth; and
- limited MOE financial and human resources, particularly in rural areas.

These problems are more pronounced in rural areas and in the northern regions of Mali where poverty is greater, services are fewer and communities are more isolated.

Through PRODEC, the GRM has decided to change who is responsible for supporting, monitoring and managing education. This means that significant relationships need to be restructured. Resources need to be reorganized and redistributed, roles and responsibilities redefined, and new ways of doing business institutionalized through law and in practice.

While the challenges are great, the opportunities are many. Over the past five years, USAID has supported the construction and management of 1,658 community schools, significantly expanding access to primary education. These schools are now providing education for 14% of the Malian primary school population. Other financial/ technical partners are beginning to support establishment of community schools, and the GRM has begun to offer teacher support services to community schools and integrate these schools into the formal system as semi-autonomous entities. Still, USAID has a distinct comparative advantage: there is a large block of communities (with which USAID partners have been working) that are committed to providing education to their children; USAID and its partners understand the problems and needs of such communities (other donors have little experience in the sector); USAID-sponsored curriculum reform efforts are well underway; and USAID-sponsored programs are successful, with "tried-and-true" models and procedures in place. Partnerships with local non-governmental organizations (NGOs) have developed a network of service providers in education that are capable of training parent associations and school management committees in organization, management, school participation, community mobilization, and adult literacy with a particular eye towards female participation.

The MOE has established the decentralized structures for decision-making, the regional Directorates of Education (DAEs), and for teacher training and support, the pedagogical centers (CAPs) and teacher training institutes. Additionally starting in 2003, the Ministry of Finance will provide certified accountants for each DAE offering the technical expertise necessary for the devolution of GRM funds. These new decentralized structures offer an opportunity, from the outset, to focus on female participation in the MOE as well as communities, in support of education for both girls and boys. Financial/technical partners, including USAID, have invested in infrastructure and equipment for these decentralized structures; while they are in the nascent stage, they are beginning to function. Other

areas where USAID holds a comparative advantage in addressing limiting factors include: the use of radio through the 120 community radio stations established with USAID assistance throughout the country; curriculum and pedagogical assistance, based on U.S. experience; and integration of gender sensitive modules and life skills activities into the curriculum and into teacher training that are contextually relevant to the needs of students and their families, particularly in health and nutrition.

During the past five years the MOE, USAID and other financial/technical partners have centered on the expansion of the education system in order to achieve education for all. The PRODEC builds on that experience and highlights the risk of addressing expansion without a focus on quality. USAID's own experience through the community schools program demonstrates that simply addressing access will not lead to universal primary enrollment. Furthermore, universal primary enrollment will not ensure a more literate and numerate population, a key factor in economic and social development. Aside from the cost inefficiencies associated with poor quality of education (high drop-out and repetition rates), parents lose confidence in the effectiveness of education, weighing the opportunity costs of sending another child to school or allowing a child enrolled to complete the cycle; this has a particularly high impact on female participation. Moreover, the lack of female participation in primary schooling will result in not achieving universal primary enrollment.

2. Purpose and Definition

While access to education remains a problem, the greatest development challenge in Mali and the greatest impediment to achieving universal primary enrollment is the poor quality of education—from an inadequate infrastructure, poor pedagogic materials, lack of trained teachers, and to formal education's irrelevancy to the lives of boys and girls and their different learning needs. During the next ten years USAID/Mali will commit itself to implementing **Strategic Objective 7, Improved Quality of Basic Education**. SO7 will support the GRM's overall goal of universal primary education by 2015 in three ways: by increasing demand for education through improved, more relevant schooling to both girls and boys; by increasing the supply of school places through more efficient use of system resources (fewer drop-outs and less repetition due to increased quality); and by addressing the needs of both boys and girls through gender conscious curriculum and teacher training. As important, improving the quality of education will lead to a more literate and numerate population which has a positive impact on indicators of social and economic development.

There are four sets of ultimate customers of USAID assistance: the central level staff of the MOE working on curriculum and teacher training; regional staff of the DAEs and CAPs; teachers; and targeted communities (parents and students). With regard to the central level staff, USAID held a series of meetings with MOE officials. These meetings, in combination with USAID monthly participation in the thematic commissions for curriculum and teacher training held with key MOE staff and the financial/technical partners working in these areas, were key in the design of Intermediate Results (IRs) 1 and IRs 2. Through regular field visits to monitor USAID-supported community schools, as well as touching base with DAE and CAP officials, USAID staff were able to collect feedback on current USAID programs and desired interventions during the next phase of USAID assistance. These field trips were important for the design of IRs 3 and IRs 4.

Improving the quality of basic education for girls and boys was chosen as a strategic objective because a more literate and numerate population (particularly females) has a positive impact on almost all indicators of economic and social development. It was also chosen as a way of expanding access to education and of supporting the GRM's goal of universal primary education by 2015. While expanding access to primary education is essential for achieving universal primary enrollment, focusing on access alone limits success in attaining a useful body of knowledge basic for overall development of the nation. Additionally, it must be acknowledged that improving quality is not generic among girls and boys. At every level of USAID assistance the learning needs of both girls and boys must be addressed.

One of the major decisions USAID made for the new strategy is to expand the regional focus of its assistance. Given the pre-eminence of decentralization within the PRODEC and the assistance of other financial/technical partners at the central level, USAID will focus most of its assistance, both technical and financial, at the decentralized level (with the notable exceptions of curriculum development and policy reform). During the 1995-2002 strategic period, USAID began support for decentralization and offered modest funds to the MOE for regional activities providing resources for

decentralized decision-making and implementation. During the new Country Strategic Plan period, USAID will continue to provide financial resources to the regions for specific activities, while developing the capacity in the regions to manage the resources and make rational budget decisions. A partnership currently under development with the World Bank will create the basic financial system upon which USAID's education decentralization/regional focus will be based.

There are many aspects of improving the quality of education. USAID has made choices in its approach to achieving improved basic education for girls and boys, as evidenced by the intermediate results it expects to achieve in support of SO7. One major aspect of improved quality is the provision of teaching materials. In Mali the average book to student ratio is 1:3. USAID believes that Malian students would benefit from a higher book to student ratio; however, textbook production and distribution is expensive and best handled by the GRM. USAID does not have a comparative advantage in this area. In the current strategy, USAID provided a limited number of maternal language textbooks through Education for Development and Democracy Initiative funds; however, too few books were distributed to make a significant impact. Several other financial/technical partners, including the World Bank, are providing resources through a common basket to fund textbooks privately produced to MOE specifications.

By 2003, it is expected that in the targeted program areas schools will have been organized into school clusters (comprised of both public and community schools wherever possible). Through those school clusters, directors and teachers will start working with pedagogic advisors from CAPs. These advisors and cluster staff should be offering each other pedagogic and content-specific assistance and learning from classroom observations and teacher working groups to solve instructional problems leading to more effective teaching for both girls and boys. It is also expected that by mid-2003 that the MOE will have integrated their new curriculum for grades one through six into all Malian primary schools and will be administering a random sampling testing program to assess student achievement (monitoring progress toward better learning outcomes). In the area of parent and community participation, it is anticipated that communities will have taken on an increasing amount of the financial and administrative responsibility for running primary schools. They will have a greater sense of ownership and confidence in the formal education their children receive, leading to a greater demand for education of both girls and boys. With regard to the "Education Management Information System", it is anticipated that by start-up of implementation of, regional DAEs will be producing analytical reports with regard to student attendance and achievement, teacher development, and materials distribution that are used to assure that informed decisions are being made during yearly action and budget planning process.

All these results will lead to an improved quality of education for girls and boys as evidenced by progress in our SO-level indicators. As the major targets for measuring performance, these are the expected accomplishments (baseline figures are from 2000):

- seventh grade entrance exam pass rate is targeted to increase from 49% overall (girls 38%) to 62% overall (58% for girls) in 2007 and to 67% (64% for girls) in 2012;
- dropout rate is targeted to decline from 40% overall to 30% (36% for girls) in 2007 and to 25% (28% for girls) in 2012; and
- gross enrollment rate is targeted to increase from 61% overall (50% for girls) to 86% (66% for girls) by 2007 and to 100% (86% for girls).

3. Intermediate Results

Implementation of this SO will be through the four Intermediate Results discussed below.

a. IR 1: School-Based Teacher Training Improved

Improving the quality of teaching is essential to improving the quality basic education in Mali, particularly given the severe teacher shortage and lack of preparation to teach the new curriculum. While there are many aspects to improving the quality of teaching, USAID will focus on **improving school-based teacher training**. There are several reasons for this. First USAID has a comparative advantage in working at the local level; under the 1996-2003 strategy it trained over 1,600 communities in school management and recruitment of teachers, as well as trained teacher trainers and community schoolteachers—a substantial base from which to expand. Second, pre-service teacher education is costly and risky, given that there is no legal commitment on the part of teacher

trainees to actually enter the classroom after training; attrition is a problem. Third, traditional in-service training is by its nature sporadic, expensive (with most costs going to per diem) and far from the realities of the classroom. Finally, there is greater opportunity for participation by female teachers, since female teachers have been less able to travel to traditional in-service training as it takes them too far from the responsibilities of family and home. USAID believes it can achieve the greatest impact with the fewest resources by assisting teacher training and support at the school-level. In addition, this level of assistance goes a long way in promoting the decentralization of teacher training.

Illustrative Activities:

- School clusters developed among community schools and public schools within 10 km
- CAP training for Pedagogic Advisors and School Directors in school-based in-service teacher training and support modules, in conjunction with the new gender appropriate curriculum and new pedagogy (using local languages)
- Teacher training at the school cluster level
- Radio education programs and study guides for teachers, targeting content of the new curriculum and aspects of PC, developed and transmitted
- Budgetary support to the decentralized level of the MOE (DAEs and CAPs) to finance in-service and short course pre-service training (Strategie Alternative de Recrutement du Personnel Enseignement (SARPE)—a precursor to school-based teacher education
- Budgetary support to the decentralized level of the MOE (DAEs and CAPs) to finance teacher-training materials

Key Indicators (to be reviewed and revised according to progress after year 3, all gender disaggregated):

- Number of school clusters created and supported among community and public schools
- Number of teachers reporting having a master teacher or other pedagogic resource available to consult during the academic year
- Number of teachers who report consulting with another teacher at least six times in the last academic year

b. IR 2: Relevant Curriculum for Grades 1-6 Established and Implemented

The GRM and USAID recognize that in order to improve the quality of basic education, not only must the quality of teaching improve, but the content of what is taught must also improve. **Establishing and implementing a new curriculum that is relevant to the lives of students and their families** is an undertaking that requires technical expertise in curriculum writing, gender inclusion, life competencies as well as academic competencies, and, finally, financial resources. USAID brings a comparative advantage in this field as it can offer U.S. assistance on the cutting edge of competency-based curricula. While the French have committed some resources to curriculum development and assessment through 2004, Mali will benefit most, particularly in the area of curriculum development (a culturally-based endeavor), by pulling from each system and combining it with a uniquely Malian approach to create what will work best in the Malian context. The school-based teacher education in IR 1 will be directly linked to this new curriculum. USAID's assistance in both areas will help assure coordination and synergy between the new curriculum and its implementation in the field.

Illustrative Activities:

- Content area and pedagogical assistance to the MOE curriculum unit
- Assistance to MOE teacher training institutes and pedagogic centers in training of trainers for the new curriculum
- Radio education programs based on the new curriculum to be used in conjunction with classroom activities, but accessible to out-of-school children and parents in the community
- Budgetary support to the curriculum and teacher training units of the MOE to finance curriculum development, piloting and achievement testing activities for the new curriculum
- Assistance to the MOE to ensure effective links between curriculum development and teacher training during design, implementation and monitoring stages

Key Indicators (to be reviewed and revised according to progress after year 3):

- curriculum for grades 1-6 drafted with gender considerations assessed and incorporated

- generalized use of new curriculum for grades 1-2
- competency-based curriculum for grades 1-6 includes integrated activities in health, nutrition and life skills
- Achievement testing program based on the new curriculum developed and piloted

c. IR 3: Community and Parent Participation in Schools Increased

Improving the quality of education is also dependent on **increasing parent and community involvement in school**. This manifests itself in several ways. First, in order to do well in school, children must not only be enrolled, they need to be given the time to study outside of school. USAID's experience with community schools in Mali and in other countries has shown us that enrollment and attendance tend to be higher in schools where parents and communities are involved. Parents from community schools in Mali report a greater sense of ownership and confidence both in the teachers that they select and in the education those teachers are dispensing. Second, in order for children to do well in school, teachers must consistently be in school and attentive to their students. Malian parents who send their children to community schools report holding the teachers to a higher level of accountability, since it is the community and parents who employ the teachers, rather than the civil service. Teacher attendance is higher, strikes or the threat of strikes is not an issue and communities report that teachers regularly follow-up with students in their homes. This experience has led us to focus on community participation in both community and public schools. The activities under this IR will be directed at all the schools in the school clusters targeted by USAID.

Illustrative Activities:

- School management training of community schools and associated public schools in the school cluster (coordinated with the Democracy and Governance SO)
- Income generating activities training for communities that manage community schools (coordinated with the Accelerated Economic Growth SO)
- Leadership training for women and men
- Adult literacy classes, especially for school management committee (SMC) and parent association (APE) members, as a means of increasing parental interest and involvement in their children's education, targeting female participation
- Radio education programs that support literacy, general education and income generating activities targeted at communities that manage community schools

Key Indicators (to be reviewed and revised according to progress after year 3):

- Percentage of community schools receiving community support covering at least 30% of operating costs during the previous academic year
- Number of SMCs and APEs that meet at least ten times annually
- Percentage of female members participating in SMC or APE meetings
- Number of communities trained in literacy and other life-long learning skills

d. IR 4: Use of Education Management Information System (EMIS) Data Analysis for Decision-Making at the Regional Level Increased

Increasing the use of EMIS data analysis for quality decision-making at the regional level is essential for improving the quality of basic education for girls and boys. Since the Malian education system is in the process of decentralizing, the only way to make informed decisions on resource allocations for quality inputs—where teachers and schools are needed, how much training teachers have and will need, where instructional materials are needed, where teacher absenteeism is a problem due to health or other causes, whether the needs of boys and girls are being met—is through an operational EMIS and the ability to analyze data for use in activity planning and resource allocation decisions.

Illustrative Activities:

- Training of DAE and CAP directors in data collection and analysis for decision-making
- Data collection/analysis on HIV/AIDS impact with regard to student attendance and achievement, teacher attrition and absenteeism, and teacher development; health status of teachers; teacher recruitment and training; materials distribution and use, etc.

- Gender/geographic data analysis and training in its use for decision-making at the regional level
- Capacity building of the “Comités Régionaux de Concertation” (committees responsible for education action planning and monitoring in the regions) for decision making with regard to use of USAID and World Bank funds at the regional level
- Capacity building of the regional accountants in the management of MOE funds by accountants managing USAID and World Bank funding in the regions
- Budgetary support to the decentralized level for execution of EMIS data collection and analysis activities

Key Indicators (to be reviewed and revised according to progress after year 3):

- Number of DAEs capable of providing geographic and gender disaggregated data for the previous school year within three months of the end of the academic year
- Number of DAEs and CAPs that report data for decision-making at least 5 times annually

4. Contextual Assumptions

The Mission has identified several factors that may jeopardize the success of SO9. Among them the greatest threat is posed by economic shocks leading to diminished community resources or resource poor communities, since SO7 is focused on the community level with a dependence on community schools. Economic shocks include drought, decrease in world market prices for cotton or other export commodities, conflict in a neighboring country, etc. To address the problem of possible economic shocks, USAID will work with communities to identify a variety of income-generating activities that can be used to support schools. In terms of resource poor communities, USAID is commissioning an assessment of the current state of community schools and the impact of resources on enrollment and retention in school, particularly that of girls which continues to be lower in community schools, to determine appropriate models to address this risk.

Another risk having probable impact on SO7 is an insufficient tax base at the commune level due to poor tax revenue collection. The Democracy and Governance SO will be monitoring and working on this problem. While lack of political will to transfer authority and resources for decentralization is a potential risk for SO7, within the Ministry of Education (MOE) commitment to decentralization is currently high and devolution of authority is progressing. To mitigate the risk of resources not devolving to the regional level, USAID will give direct budgetary support to regional education offices to activities that relate to SO7’s intermediate results. Following USAID’s lead, both the World Bank and the Netherlands are directing a portion of their assistance at the decentralized level.

Another possible risk would be a change of government; if the new government lacks commitment to PRODEC, it is possible that USAID program activities will slow; however, given the nature of USAID education interventions and the popularity of community schools in Mali, the Mission believes this unlikely. Should activities be affected by such a change in government, USAID would work both at the central and regional levels of the MOE to amend activities to meet the new government’s priorities.

A risk to the achievement of SO7 is the potential impact of HIV/AIDS on the teaching force. Given the current rate of infection in Mali (1.7%), this may not pose an immediate threat to SO7’s success. However, the Mission recognizes the potential threat and intends to incorporate HIV/AIDS-related data collection in its EMIS activities with the MOE to establish a baseline and monitor teacher illness and attrition, as well as incorporate HIV/AIDS education in its teacher support activities.

Among the more likely risks is that of a student and/or teacher strike at the university or high school level. These strikes have occurred often in Mali’s history. USAID will respond differently depending on the cause of the strike. If the strike is initiated by teachers, USAID will facilitate policy dialogue to address teacher concerns. If the strike is initiated by students, the causes are generally more political in nature and reach beyond the education system. These strikes tend to upset the normal operation of primary schools since out-of-school high school students try to distract primary school students and prevent them from entering school. It has been noted by many communities operating community schools that they are less susceptible to teacher strikes. Their teachers are not civil servants, not part of a union, and have stronger ties to the local community.

Finally, USAID recognizes that there is always the possibility of a decrease in the level of funding received from USAID/Washington. While this may not be likely in the immediate future given recent congressional interest in basic education, USAID would reduce the number of Intermediate Results (IRs) it expects to achieve commensurate with the decrease in level of funding, most likely eliminating the national level support to curriculum development, while continuing support to the decentralized offices of the MOE.

5. Linkages

a. Linkages within the SO

The four intermediate results within the Improved Quality of Basic Education SO form an integrated approach to improving quality. A better, more relevant curriculum means little without teachers trained in how to implement it. And better teaching in school does not go far to improve the quality of basic education if girls and boys are not attending school, prepared to learn, with the support of their parents and community. Unless parents are involved in their children's education and see its utility (a more relevant curriculum), they will not send their children to school and will not allow them to stay. Finally, in order to get the most out of quality inputs at the decentralized level, be it better-trained teachers, curriculum or materials, decentralized offices of the MOE need to make rational human and financial resource allocations based on reliable data analysis.

b. Linkages within Mission Strategy

USAID/Mali's goal is to overcome poverty and accelerate economic growth. Studies throughout the nineties have consistently shown that a more literate and numerate population, particularly female population, has a positive impact on indicators of economic growth and social welfare.

High Impact Health Services Increased (SO6): Necessary to school attendance and participation are healthy children and healthy families. Child vaccination and vitamin A supplementation, the promotion of insecticide treated bed nets and use of anti-malarials, and the promotion of oral rehydration all assist in the achievement of SO7 in two ways. Proper use will help ensure the active participation of children in school. Particularly for girls, healthier mothers and younger children lead to greater school attendance, since girls are regularly kept home from school to help take care of sick parents and siblings.

Shared Governance through Decentralization (SO8): SO8 is focused on decentralization. Since the bulk of assistance offered under SO7 is targeted at the decentralized offices of the MOE, communal and community participation in education, the education strategic objective will be working closely with SO8, as during the current strategy on civil society building activities with SMCs and APEs. In addition, SO7 will rely on the shared governance strategic objective to push forward the policy agenda on decentralization, particularly with regard to the devolution of budgetary control to the school system at the regional level.

Accelerated Economic Growth (SO9): During the previous strategy communities demonstrated a great commitment to financing and managing their own schools. Much enthusiasm and pride surrounded the construction of initial classrooms and the financial support of teachers, no matter how modest. However, community schools by definition are in remote rural communities, and these villages are populated by the poorest of the poor. The financial burden on these communities is excessive; the ability to sustain their schools without USAID support is questionable unless communities are able to generate income in support of their schools. During this strategy SO7 will ensure that training in income generating activities is part of any support given to community schools. The education SO will rely on the expertise and assistance of 9in offering this support.

Communications for Development (SO10): Since three of SO7's intermediate results include use of some form of radio education, the education strategic objective will look to SpO10for technical expertise and assistance. Further, given SO7's emphasis on meeting the needs of both boys and girls, as well as men and women, the education strategic objective will rely on SpO10to expand women's and girls' access to radios and to meet gender specific needs in radio programming.

c. Conformance with Donor and GRM Programs

The USAID program will be implemented in close collaboration with the MOE at both the central and regional levels. In addition USAID will continue to work closely with the financial/technical partners in implementation and financing through monthly technical meetings ("Commissions Thematiques") in each of the areas in which USAID will offer assistance. Signed in September 2001, the Education Sector Investment Program (PISE) to which USAID is a party, defines the technical and financial commitments of all stakeholders in education, including the MOE. The current PISE is effective until 2004, after which PISE II will be put into place. Every six months the PISE is extensively reviewed through a joint monitoring and evaluation mission of all financial/technical partners and the MOE to assess progress to date, identify key problems and develop joint solutions. USAID has played and will continue to play a leadership role in the management and monitoring of PISE. The Mission believes its leadership can be enhanced and impact increased through possible use of non-project assistance (NPA), which could leverage policy reform and implementation with regard to decentralization and in support of PRODEC and its PISE. In the coming year the Mission will investigate different models of non-project assistance to determine an optimal mix of budgetary support conditioned against policy reform.

Other financial/technical partners have been encouraged by USAID's support for decentralization; the World Bank and the Netherlands have also decided to offer some financial support to the regions, rather than the central MOE. USAID is in the process of developing a partnership with the World Bank and the Netherlands in the management, accounting and reporting of these funds.

Limited Food For Peace (FFP) resources are expected to be available to the World Food Program for school feeding programs here in Mali. As these resources will help to increase girl's participation in school, enhance the quality of primary education, and increase overall enrollment, these activities will definitely contribute to the achievements of SO7. Therefore, they are in keeping with the overall objectives of the CSP.

6. Instruments

Community and Public School Management: Implementation of community school/public school financial and management strengthening activities will be conducted by U.S. NGOs in conjunction with Malian NGO partners. Capacity building of local NGOs' ability to operate independently in the sector will be stressed. An Annual Program Statement or Request For Assistance for soliciting assistance will be issued to cover each region of operation.

Central and Decentralized MOE Technical Support: To provide technical assistance in curriculum, teacher training, and support, as well as EMIS/decentralization, USAID will solicit and choose an institutional contractor through issuance of a Request For Proposal. To provide assistance in radio education programming and guides, USAID anticipates using instruments provided through the G/EGAT/HCD Office. Also, long-term training may be provided in instances where crucial expertise is not available locally in education areas directly related to implementation of some aspect of SO7.

Budgetary Support for Decentralization: Implementation of budgetary support of MOE activities, decided upon at the decentralized level, will be carried out through the MOE and portions might be done through Non-Project Assistance. Contracted accountants will be responsible for transparent accounting of USAID funds and accounting of World Bank funds at the decentralized level, and the transfer of capacity to newly hired MOE accountants. These accountants will be managed by USAID and paid for from the SOAG as part of a joint financing arrangement with the World Bank.

Non-Project Assistance: Non-Project Assistance (NPA) may be an effective instrument in leveraging major policy reform in decentralization, textbook manufacture and distribution and government support of community and commune schools, providing assistance to Mali for such decentralized activities as expanded teacher training programs, provision of textbooks for faculty and students, and school equipment. This will depend on whether USAID, along with other technical and financial partners and the MOE, can articulate a rational program of conditions based on policy reform/implementation and in line with the current education sector investment plan. Also it depends on whether the MOE demonstrates improving capacity and willingness to operate at the decentralized level and if USAID obtains sufficient resources to make a significant impact. During FY 2003 USAID/Mali will pursue this possibility.

Results Framework for SO7

Improve Quality of Basic Education

Overall Indicators:

- Ind 1: 7th Grade Entrance Exam Pass Rate
- Ind 2: Drop-out Rate
- Ind 3: National enrollment rate (girls and boys)

Development Context:

- National Gross Enrollment Rate in Medersas
- National Gross Access Rate
- National 7th Grade Entrance Exam Pass Rate
- National Drop-out Rate

Policy Dialogue

Donor Coordination

Risks:

- Economic Shocks Leading to Diminished Resources
- Lack of Political Will to Transfer Resources for Decentralization
- Insufficient Tax Base at Commune Level
- Change of Government=Lack of Commitment to PRODEC
- Student &/or Teacher Strikes
- HIV/AIDS Impact on Teaching Force
- Budgetary Cuts in Program

Intermediate Result 1

School-based Teacher Training Improved

Indicators:

- Ind 1.1: # of school clusters created among public/community schools
- Ind 1.2: # of teachers reporting having a master teacher or other pedagogic resource available to consult during academic year
- Ind 1.3: # of teachers who report consulting with another teacher 6 times in last school year

Intermediate Result 2

Relevant Curriculum Grades 3-6 Established & Implemented

Indicators:

- Ind 2.1: curriculum for grades 3-6 drafted with gender considerations assessed and incorporated
- Ind 2.2: competency-based curriculum for grades 3-6 includes integrated activities in health, nutrition and life skills
- Ind 2.3: generalized use of gr. 1&2 curric
- Ind 2.4: Achievement testing program based

Intermediate Result 3

Community and Parent Participation in Schools Increased

Indicators:

- Ind 3.1: % of community schools receiving community support to cover at least 30% of operating costs during last 12 months
- Ind 3.2: # of APEs or SMCs meeting at least 10 times annually
- Ind 3.3: % of female members participating

Intermediate Result 4

Use of EMIS Data Analysis for Decision-making at Regional Level Increased

Indicators:

- Ind 4.1: # of DAEs capable of providing geographic and gender disaggregated data for previous school year
- Ind 4.2: # of DAEs who report using data in their decision-making 5 times in the past 12 months

General Information:

- All indicators are gender disaggregated
- All IR s refer to Program Areas (TBD)
- France will also offer Curriculum Assistance
- Canada will offer assistance in teacher training policy and program
- Data source for all but development context=implementing partners

Illustrative Activities

- School Clusters
- CAP training for CPs and School Directors
- Radio Education Programs for Teachers
- Workshons at Cluster-level

- TA to MOE Curriculum Unit
- TA to MOE TEACHER TRAINING INSTITUTES and CAPs
- Gender Integration Activities
- Budgetary Support to Curriculum Unit and Teacher Training Units
- Radio Education Programs for children

- School Management Training (coordinated with Democracy & Governance SO)
- Income Generating Activities Training (coordinated with Econ Growth SO)
- Leadership Training for Women and Men
- Adult Literacy Classes
- Radio Education Programs for Community

- Training for DAE and CAP directors in data analysis for decision-making
- HIV/AIDS impact data collection/analysis
- Gender/geographic data analysis & decision-making
- Budgetary Support to Regions

C. Shared Governance Through Decentralization Strategic Objective (SO8)

1. Development Challenge and USAID's Advantages

Since its transition to a democratic multiparty system, Mali has made extensive efforts to address the development challenges facing the nation and to consolidate the gains of its nascent democratic regime. Today, the principal democratic governance problem for Mali is the state's inability to fully implement a system of decentralized governance. The most important political decision emerging from the 1991-92 revolution was the commitment to a decentralized system of governance that ensures the achievement of the dual objectives of democracy and sustainable development. Among Malians, there is a widespread agreement that decentralization forms the best path to democracy, good governance and sustainable development. The challenge, therefore, is for local communities and communes to seize the political initiative for themselves and develop into genuinely effective and responsive institutions, capable of mobilizing resources and resolving conflicts and disputes.

Among the factors constraining Mali's full realization of a decentralized system of governance are: (1) the continuing centralization of administrative powers vis-à-vis all other local level actors; (2) the existence of incoherent and incomplete laws and legal codes and the inability to harmonize these laws with those governing the provision of public services; (3) the lack of coordination among different government ministries and services responsible for drafting legislation, policies, and regulations; (4) the inability of government institutions to effectively forge partnerships with civil society and the private sector at the national or local level; and (5) the weakness and incapability of organizations at the local level.

Of major importance is the commune's capacity to form partnerships for promoting and achieving sustained local development and prosperity. Local government alone cannot adequately accomplish this; partnerships of local civil society and private sector are needed. This is the notion of "shared governance" which is a thread woven throughout this strategy. During the last five years, USAID Democratic Governance Strategic Objective has been sponsoring initiatives that support the consolidation of Malian democracy mainly through civil society, as it is clear that a strong civil society is an important prerequisite to any meaningful, vibrant, democratic and decentralized local governance system. USAID's current strategy is focused on institutional strengthening and advocacy capacity building of community organizations, as a means of self-governance and also contributing to their participation in local democratic governance. Significant gains have been made and most targets for civic actions, democratic operations, and local capacity development have been achieved. In fact, an important result of the current strategy and a comparative advantage for USAID under the new strategy is that a significant number of the elected leaders in communal councils came from civil society organizations supported by USAID partners.

By strengthening local community organizations, many Malians now have them as means to participate in public affairs, including the making and implementation of development decisions that affect their social, economic and political well being. USAID/Mali now seeks to build on the skills and values of democratic self-governance acquired by the civil society leaders by using these skills to form effective partnerships with communal councils for sustainable local development. In line with USAID/Mali's fundamental development goal of poverty reduction, it is essential to build on the Mission's involvement in supporting community organizations in sectors such as health, education, economic growth and information and communication.

Another major structural constraint is the low representation, participation and influence of women in local level decision-making processes. This is unfortunate, especially because Malian women are so essential to Mali's economy, family, welfare, and agricultural production. However, women's contributions and concerns remain under-represented in formal political structures and public decision-making.

In the USAID-contracted "Assessment of Democratic Governance over the last Ten Years in Mali", consolidation of decentralization was identified as the principal democratic governance problem facing Mali, although other structural threats to Malian democracy were noted. For example, the formal judiciary system was found to have serious structural weaknesses. However, the assessment concluded that USAID has no comparative advantage in addressing the judiciary problems, as other donors are making significant efforts in this sector (the French and the Canadians support the Ten-

Year Plan for Judicial Reform) and the system is based on French law. The assessment also found the legislative branch of government to be weak in its ability to initiate, deliberate, craft, and pass laws. Its weakness has contributed to a lack coherence and harmony in many of the laws, often leading to a void filled by the executive branch. Even though this presents a major structural problem for Malian democracy, USAID will address this constraint through the strengthening of decentralization.

2. Purpose and Definition

The new Strategic Objective: “**Shared Governance Through Decentralization**” is defined as helping to establish a system of governance that brings all the legitimate actors – state (national and local officials and elected leaders), civil society and private sector - together to participate as partners in local democratic governance. Decentralization establishes opportunities for participation by placing power and resources at the local level, whereby all the legitimate actors and stakeholders consciously and voluntarily participate in the process to make it effective.

The completion of communal elections in June 1999 and the ongoing installation of local governance structures continue to offer civil society the opportunity to enter into a mutually beneficial partnership with communal councils for realizing sustainable development. With a system of democratic local governance now in place, there should be greater government responsiveness and accountability on the one hand, and opportunity for broad based citizen participation in local decision making on the other. Indeed, the arrival on the local development scene of communal councils and their partnerships with civil society make this possible.

Poverty Reduction:

This strategy is premised on the belief that for sustainable development and poverty reduction to be realized in Mali, then the evolving partnership between civil society, local elected leaders, and private sector must be strengthened. There is a tendency for policy makers to assume that democratic decentralization guarantees poverty reduction. However, there are several structural and organizational challenges facing decentralized local governance. Unless there are strong oversight and accountability institutions, decentralization can and often has reinforced the power of local elites and has worsened inequalities, phenomena that have adverse effects on poverty reduction. First, in order to fight poverty, the new strategic framework disaggregates local civil society into various segments such as women, youth, farmers, immigrants and other marginalized groups and then targets specific interventions for achieving socio-economic empowerment. For example, the strategy would address poverty reduction with activities designed to encourage women political empowerment and community mobilization around sectoral issues. Second, in order to broaden the capacity and participation of all local-level actors, the strategy promotes private-public partnerships (including civil society). Finally, the strategy addresses relationships between central and sub-national units of governments, such as fiscal decentralization, that play pivotal roles in how local governance can help reduce poverty.

Strategic Objective-level Indicators:

They highlight the core characteristics of partnership and participation. The percentages and numbers of these SO level indicators will follow baselines established for the target communes. Estimates are based on actual figures from community organizations currently being assisted (over 1,200). To determine the performance targets for 2007 and 2012, it is estimated that assistance will be provided to 250 communes (out of a total of 703). This represents a critical mass of communes that, by the end of the strategic period, will be responsive, transparent, accountable, and effective in basic needs service delivery. It is also expected that most of these targeted communes will be the focus of community-level assistance from the Health, Education, and Economic Growth Strategic Objectives, gaining the benefits of synergies and linkages. We expect to use the ten-year strategic time frame to build on current efforts with civil society organizations. By 2007 and 2012 respectively, it is expected that: the percentage of target communes that increase delivery of social services through development partnerships will improve to 40% and 70% over the established base level; target communes expanding their development activities within their authority will grow to 40% and to 70% over the base level; and the percentage of men and women participating in communal elections will increase to 50% in 2004 and 60% in 2009 from a baseline of 40% in the 1999 communal elections.

3. Intermediate Results

The Intermediate Results (IRs) delineate three core focal areas that all include capacity strengthening and conflict resolution. USAID would assist in the management of structural conflicts that might block Mali's decentralization, e.g., inter-ministerial turf and resource transfer battles. USAID will also support conflict resolution mechanisms at the commune and district levels usually related to natural resource and land use. These mechanisms will complement traditional mediation practices. USAID will also continue to support the internalization of civic democratic culture, including activities that promote women's engagement and influence decisions through civic action.

a. IR 1: Participation of key communal-level actors in democratic governance increased.

IR 1 has selected four Indicators in order to capture the range of capacities and changes USAID will support for primary commune functions. The range of these capacities and changes are noted under each chosen Indicator.

Illustrative Activities:

IR1 activities will include programs that are designed to strengthen practices that incorporate citizens' and communities' inputs in commune decision-making processes and dissemination of information. Mechanisms for citizen's participation in local government planning and budgeting will be systematized, transparent procurement practices will be employed, and approaches to local governance that are shared by local officials, elected leaders, and civil society will be emphasized. Such practices will include public budget vetting structures, media dissemination of relevant information, training in financial management and transparency rules, and public access to documents. USAID/Mali will help to cultivate "civic responsiveness" and support fora for citizens – e.g. local officials' exchanges with the objectives of collaboration, advocacy and mobilization on key issues. A major component of this activity could be the establishment of Civic Information Centers. These could be set up in communes to assist in internalizing the knowledge needed to address individual and group concerns through local governance processes.

Elected local leaders will be assisted in forming strategic alliances with civil society and private sector institutions in order to influence local government decisions and those of central government. Alliances will be used to address resource issues such as use of tax revenues and control over communal resources. Public-private partnerships in tax collection operations could also ensure efficiency and accountability in revenue mobilization. Publication and application of contracting and procurement practices will contribute to better resource allocation and fewer opportunities for corruption. Alliances might also be used to promote inter-communal cooperation, linking communes to district, regional, and national government structures.

Indicator 1.1: Percentage of communes with development plans and budgets responding to expressed needs of community groups.

Indicator 1.1 captures the people-level data underscoring the range of participation in communes. This range will be subdivided by types of groups and sex/age category of persons. Solid participatory practices are demonstrated by certain outputs - e.g. planning budgetary documents that underscore consultation and consideration for different groups and interests.

Documentation for Indicator 1.1 can be found at commune centers, as such information is part of the legally mandated documentation for commune planning. Interviews with elected officials and other leaders will provide additional data relating to leadership within community/civil society organizations (COs).

Indicator 1.2: Percentage of communes that have addressed two or more development issues through joint action each year.

Indicator 1.3: Percentage of communes that work with the private sector to provide at least one public good or service.

Partnership is the focus of Indicators 1.2 and 1.3 and data will be collected in the areas of planning and follow-through, as well as resource contributions among civil society organizations (COs), private

sector and commune officials. Commune development plans and budget documentation will be key resources for these data. Interviews with members of key associations and cooperatives/other private sector groups will add more insights as to how these results were accomplished. Publication of commune financial data and copies of communal financial reports and contracts will be made accessible to the public.

Indicator 1.4: Percentage of communes having participatory mechanisms to prevent and/or resolve conflicts.

As stated earlier, conflict is a key constraint and concern for decentralization and sustainable development. It is not within the manageable interests of USAID to attribute results to our assistance regarding the number of conflicts actually resolved. However, USAID can certainly contribute to the building of a variety of mechanisms for prevention and mediation of conflict. As these mechanisms are put into place, commune leaders will document the range of conflicts prevented and mediated, and those organizations funded to assist the related capacity strengthening efforts.

b. IR 2: Macro-political enabling environment strengthened.

Although the passage of the decentralization code in 1998 and the holding of local government elections in 1999 laid the foundations for decentralization and local democratic governance in Mali, the legal environment for institutionalizing decentralized democratic governance has not yet been established. Implementation of the decentralization code is lagging because the code did not clearly delineate the respective roles, powers, and financial resources that would be assigned to the central government, territorial administration, and technical services, and the different levels of local government—region, district, and commune. USAID/Mali realizes that many of the indicators depend heavily on the GRM working in partnership to meet established targets. These indicators have been shared with the government and they feel they are reasonable and they are committed to working with USAID/Mali to achieve them.

IR 2 seeks to overcome the major obstacles to the full implementation of decentralization by encouraging and assisting the GRM to put in place the laws, policies, and regulations needed to reduce legal, financial, and bureaucratic impediments to the efficient functioning of local government. The following areas are identified as those that need to be addressed at the macro-political level to strengthen the enabling environment for effective local democratic governance: transfer and generation of sufficient human and financial resources needed to insure that local government has the capacity to meet its new responsibilities; clarification and detailed description of the respective roles and responsibilities of different governmental institutions—central ministries, parastatals, territorial administration, technical services, local government, and traditional authorities to reduce conflicts over competencies; and harmonization and coordination of policies and programs among the various central and local level governmental institutions and services. This Intermediate Result will be the shared responsibility of both the GRM and USAID/Mali. Without the GRM as a willing partner, progress in this arena will not be made.

Illustrative Activities:

Activities could include technical assistance and training to the Commissariat au Developpement Institutionnel, National Assembly Commissions dealing with decentralization, the Ministry of Territorial Collectivities, the Haut Conseil des Collectivites Territoriales, and the Association of Municipal Mayors. This could consist of support for: lobbying and advocacy activities at national level; assisting with national and regional fora to bring together representatives of the state, legislative bodies, local government, and civil society to discuss key decentralization issues; coordination of donor decentralization strategies; focus on lobbying in key areas needed to foster implementation of sectoral efforts in health, natural resource management and land use, education, agriculture, etc.

Indicator 2.1: Percentage of revenues transferred to communal government bodies.

This Indicator captures the degree of support of central government for providing local government with financial resources to carry out its new responsibilities, and for providing infrastructure and public goods and services (in such sectors as education, health, potable water, etc.). At the present time, only a tiny percentage of revenues by the central government are transferred to the communes. We will use the percentage of state revenues transferred to local government/communes in 2003 as the base line and set targets that show a steady increase in percentage of state revenues transferred to local government. The data to verify this Indicator are relatively easy to collect. Annual finance reports list allocations to local government. The decentralization law shows the fiscal resources earmarked for a certain percentage of various taxes collected by central government to be returned to various local government units. A prerequisite for progress will be the GRM's readiness to comply with the laws being implemented. One could also track new legislation increasing share of centrally collected taxes returned to communes or providing communes with new sources of revenue not cited in previous fiscal legislation.

Indicator 2.2: Percentage of taxes collected at the local level returned by the state in a timely manner.

This Indicator captures the degree of efficiency of central government in returning the taxes collected at the local level and deposited in the Treasury. Failure to return the revenues in a reasonable length of time disrupts local government budgetary processes and deprives local government of the resources needed to pay its employees and suppliers. USAID/Mali will be measuring progress in the communes being supported and in those not included as a control group. This Indicator is also relatively easy to track through records of tax and treasury divisions and local government accounts. Timeliness could be measured in terms of the number of months it takes for collected taxes to be returned to communes.

Indicator 2.3: Number and degree to which selected laws, policies, and regulations defining communal competencies are clarified and implemented.

This Indicator addresses a major source of confusion and conflict between central government institutions and different levels of local government. Data for this Indicator are relatively easy and inexpensive to collect. One can easily track the number of laws and policies, and regulations defining communal competencies through the *Journal Officiel*. Tracking implementation will require interviews with communal officials to determine whether other central government institutions respect the prerogatives and needs of the communes in certain areas---e.g. management of personnel, control over land and natural resources, choice of where to install new infrastructure, etc. Measurement can also be made on the stages of accomplishment: identification of problem(s) and appropriate initiation of a law or regulation; approval of a law or regulation; debate and ratification; application and diffusion; and level of implementation of the subject law(s) and regulation(s).

c. IR 3: Women's participation in decision-making at the communal level increased.

IR 3 will focus on gender mainstreaming, measured by disaggregated people-level indicators and outcomes in participation and resource allocation. The IR 3 Indicators focus on women's representation and influence. Attention to the results of women's influence ensures their representation is not token in nature. In addition, USAID recognizes that the engagement of most Malian women in decentralization is inhibited by their time-consuming and priority responsibilities of earning livelihoods and taking care of family. Therefore, the kinds of influence women gain are linked to removing these particular barriers.

Illustrative Activities:

Activities to support women's leadership, representation and influence in communal governance will include training local authorities and elected officials on how to reach and work with women, encouraging the GRM to seek and place women in local government structures, reinforcing women's groups through civic action, setting of and adhering to women-targets across all USAID supported training activities in all sectors, promoting leadership skills for women mayors and councilors, civil society leaders, and increasing communications among women leaders at the local and national levels. USAID/Mali economic growth activities will support women's labor reduction and income increase. Stories regarding successful women could be integrated into rural radio programming and other news sources. Use of theater and song could highlight women as decision-makers and leaders.

Indicator 3.1: Number of women holding and retaining offices in communal structures and Community organizations.

Indicator 3.2: Number of commune decisions addressing women's status.

Indicator 3.3: Number of commune activities implemented that decrease women's labor and/or increase their income.

Data collection for these IR 3 Indicators should be part of the IR 1 efforts and methodologies, as the same documents will be reviewed, the same persons interviewed and the same organizations used to undertake the collection and analysis.

4. Contextual Assumptions

Although Mali has made great strides towards democratization under the Third Republic in several major areas (human rights, freedom of speech and media, stabilization of the democratic process, and the installation of elected local government councils), several critical risks and vulnerabilities remain. These could adversely affect efforts to fully implement decentralization reforms and the consolidation of shared democratic governance.

As noted in the USAID/Mali 2001 Conflict Vulnerability Assessment (summarized in Annex C), regional instability could spill over into Mali and undermine decentralization and other governance efforts, even though Mali's leadership has spearheaded conflict mediation in the region. In addition, although peace has settled in the northern part of Mali, the potential for armed conflict still exists. This potential remains fueled by a number of factors including environmental degradation, resource scarcity, lack of economic opportunities, and mistrust between ethnic groups.

Some of the most important risks at the national level include: the lack of political will by some elements in the GRM to devolve power and resources to local government; confusion over the respective roles and responsibilities of central and local government; the limited financial resources of the state; the current monopoly of local government offices by the ruling party; inequity in the distribution of benefits; and a decline in public confidence in national-level institutions due to corruption and squabbling among the main political parties.

At the sub-national level, major risks and vulnerabilities include: traditional modes of governance which tend to exclude women, youth, and minorities from full participation in community decision-making; limited financial capacity and human resources at the commune level; and the special problems posed by the Northern regions' underdevelopment and lack of integration into mainstream

of the development of Mali.

5. Linkages

a. Linkages Within SO

All three IRs are closely related. Strengthening the Macro-Political Enabling Environment (IR 2) contributes to the timely transfer of necessary financial and human resources to local government and the clarification of the respective roles of central government and local government institutions. It gives local government the tools needed to function effectively. Without the results implied in IR 2, a decentralized system of democratic governance is unlikely to become consolidated.

While IR 2 establishes a solid foundation and rules for decentralization, IR 1 insures that the results sought are realized at the local level by promoting participation and partnership of all local actors in local governance. Successful results in IR 1 will lead to the mobilization of greater financial and human resources for development purposes, improve the participation of local actors in communal decision-making, and foster collaboration between local government, civil society, and the private sector to produce public goods and services together. It also highlights the fact that government alone is not responsible for development, but that development is best served by bringing together and involving all members of society in a joint effort to improve living standards and the quality of life.

IR 3, which focuses on increasing women's participation in decision-making at the communal level, focuses on a major aspect of IR 1. The increased participation of women in decision-making contributes to democratic governance by empowering one of the most marginalized groups in Malian society.

b. Linkages Within the Mission Strategy

As previously stated, decentralized democratic governance is one organizing framework for all the other strategic objectives in USAID/Mali. The Shared Governance Strategic Objective has strong linkages and synergies with the SOs in health, education, and accelerated economic growth, especially in the areas of building capacity (leadership, planning, financial management) providing local public services, and in fostering income generation and mobilization of resources. The Communications for Development Special Objective will also support efforts for implementing local democracy initiatives, as well as ones on the national level.

All three Strategic Objective and the Special Objective strive to strengthen democratic governance practices - e.g. transparency, accountability - within government entities, COs and private sector groups with whom they are working (village associations, cooperatives, school management committees, health committees and associations, women's groups). They also work to increase the local population's partnership with local government and local social services. Synergies between them and the Shared Governance Strategic Objective can be fostered by civic action campaigns that address sectoral issues, as well as the citizen's understanding of his/her political rights and obligations. Clarification of decentralization policies, and regulations and the transfer of human and financial resources to the local level promoted by the Shared Governance SO also contribute to the achieving of results in all Strategic Objectives.

The activities of Shared Governance and Communications for Development will certainly be complementary. Together they will disseminate information and messages concerning civic action and local government activities and provide a platform for discussing public issues. This is critical for improving the capacity of local communities to understand how government works and to educate/inform dispersed audiences effectively and cheaply.

c. Conformance with Donor and GRM Programs

Top officials in the GRM have demonstrated a strong commitment to decentralization. The Shared Governance SO will contribute to strengthening the elaboration and implementation of the government's decentralization policies. The Shared Governance SO and all other sectoral SOs are working within the framework of Mali's long-term policies to promote democracy and alleviate poverty. Some resources mobilized under PRODEC, PRODESS and the PRSP could be handed over to

stakeholders, such as local government and civil society organizations (NGOs and COs), who can respond positively to the deteriorating economic and social situation by encouraging and establishing local initiatives to reduce poverty and provide safety-nets based on broad participatory approaches.

The Shared Governance SO also has linkages and synergies with other donor efforts in democratic governance areas. The European Union is strengthening the capacity of national institutions like the Commissariat of Institutional Development and the Ministry of Territorial Administration and Local Collectives to formulate and move forward in drafting and implementing policies, laws, and regulations related to decentralization. The Dutch Cooperation, The French Cooperation, the Swiss Cooperation, GTZ, UNDP and UNCDF are supporting activities through the *Centre des Conseils Communaux* to strengthen and elected leaders capacities to respond to their constituents with public goods and services. European Union, The French Agency for Development and the Dutch are providing “Local Development Funds” for infrastructure and investment at the commune level.

Democratic governance efforts by other donors tend to stress training of local government officials and strengthening of local government institutions, and the macro-political and legal enabling environment. USAID’s comparative advantage and innovation regarding decentralization is its emphasis on promoting partnership and synergies between local government, civil society, and the private sector in efforts to alleviate poverty. The work with strengthening the capacity of non-government organizations gives USAID and its PVO and contracted partners a distinct advantage of having worked at the grassroots with the key implementers of decentralization.

6. Instruments

USAID/Mali will use a variety of instruments to implement its range of democratic decentralization activities. The Mission will explore possible instruments that could be implemented under an umbrella mechanism as opposed to several small and dispersed instruments.

To strengthen representative leadership at the local level, to promote women’s participation in politics, and to enhance constituency representation and advocacy from commune leaders to higher bodies of government, USAID will partner with local and international organizations that specialize in political leadership, constituency building and the electoral process. Such organizations will be non-partisan in nature and could be engaged through cooperative agreements or grants. Such groups might also assist in conflict resolution.

Cooperative agreements, contracts or grants may be applied to provide technical assistance in capacity building, conflict resolution, inculcation of civic democratic culture, and training for commune competencies. Non-government organizations have the comparative advantage of their on-going grass-roots presence needed for commune capacity strengthening, but contractors often have experience in other countries that could be applied effectively in Mali.

Grants and/or sub-grants to selected Malian PVOs/NGOs could be employed for supporting commune programs being administered by commune leaders and authorities. The mechanisms for including Malian women are plentiful. National PVOs/NGOs could be selected that have the capacity to link subsistence women’s concerns and contributions to policy makers. Gender sensitivity training could also be applied to national capacity strengthening programs for policy development. In addition, task-specific contracts could be used to hire national gender experts to review GRM policies for attention to women’s economic and social needs. Sub-grants could probably be managed through organizations that can assess local groups’ capacities and provide guidance on reporting requirements to USAID. Also, long-term training could be provided in instances where crucial expertise is not available locally in areas directly related to implementation of some aspect of SO8.

Punctual and episodic technical assistance might also be provided to the commune strengthening and functioning focus through contracted task orders that provide key services and products. For example, contracted technical assistance might be used to assist in conflict areas for commune mediation and finalize guidelines that build upon the best capacity strengthening practices of key implementing PVOs/NGOs for distribution to the GRM and donors. Linkages between SOs could also be strengthened through sharing technical assistance. Such linkages could be in the form of sharing best practices related to economic policy resulting from political engagement and the reforms in legal codes affecting several sectors.

The use of Non Project Assistance (NPA) instruments in the DG sector is somewhat controversial. While political reform (liberalization and transition to democracy) has been used as a conditionality for assistance to a country's broader economy, democratic governance sector reforms do not lend themselves to conditionality partly because the very capacity needed for those political reforms is often lacking. Support may well be better provided in the form of technical assistance. Thus, for democratic governance, an NPA instrument almost invariably would have to be paired with a technical assistance instrument for it to be effective. This is especially the case in Mali, where political will for change exists, but the capacity to carry out further reforms is lacking. In order for decentralization to be fully implemented, technical assistance and training are needed to augment the macro-political will shown by the government.

Results Framework for SO8

Consolidate A Decentralized System of Shared Democratic Governance

Overall Indicators:

- Ind 1: % of communes in which partnerships increase delivery of public services.
- Ind 2: Number of men/women participating in communal level elections.
- Ind 3: % of communes expanding public goods and services within their authority.

Development Context:

- Stabilization of democratic process
- Respect for human rights
- Freedom of speech & expansion of independent media

Critical Risks/Vulnerabilities:

- Political will to devolve both power and resources (IR 2 & IR1)
- Confusion over roles and responsibilities increasing likelihood of conflict (IR 2)
- Current monopoly of local government offices by ruling party
- Inequity in the distribution of benefits
- Capacity (human and financial) at the commune level (IR 1)
- Exclusion based on gender, age and ethnicity (IR 1)
- Perception of under development/representation in north
- Traditional vs modern governance (IR 2)
- Excessive corruption (IR 1)

Intermediate Result 1

Participation of key communal level actors in democratic governance increased

Indicators:

- Ind 1.1: % of communes with development plans and budgets responding to expressed needs of community groups.
- Ind 1.2: % of communes that have addressed 2 or more development issues through joint action each year.
- Ind 1.3: % of communes that work with private sector to provide at least one public good or service.
- Ind 1.4: % of communes having participatory mechanisms to prevent and/or resolve conflicts.
- Ind 1.5: % of youth, women and men represented and active in the commune electoral process. (not annual, but periodic)

Intermediate Result 2

Macro-Political Enabling Environment Strengthened

Indicators:

- Ind 2.1: % of state revenues transferred to local government/communes.
- Ind 2.2: % of taxes collected at the local level returned by the state in a timely manner.
- Ind 2.3: % of communes with sufficient personnel assigned by the central government and deconcentrated services to provide services mandated by the decentralization law.
- Ind 2.4: % of laws, policies, and regulations defining communal competencies clarified and implemented.

Intermediate Result 3

Women's participation in decision-making at the commune level increased

Indicators:

- Ind 3.1: Numbers of women holding and retaining offices in communal structures and village associations.
- Ind 3.2: Number of times commune leaders meet with women's group.
- Ind 3.3: Number of commune activities implemented that decreasing women's labor/and or increase their income.

A key result necessary for the achievement of this IR is Women's economic empowerment - other donors and the SEG will accomplish this IR.

Illustrative Activities

IR 1

- Training in planning, financial management, conflict resolution, decision making, understanding specific rights and responsibilities, transparency performance monitoring
- Documentation and sharing of best practices through exchange visits, pilot activities
- Activities to strengthen the Association of Malian municipalities

Continuation of IR 1 activities

- Use of rural radio for civic education
- Linkages to nat. level for advocacy.
- Facilitating platforms for consultation
- Financial resource mobilization which could include community foundations, municipal bonds, city to city programs, GDA, donor funding
- TA to develop fundable proposals/investment plans

IR 2

- Training
- TA related to drafting regulations & creating modalities for implementation
- Facilitation of discussion between institutions
- Development & sharing of best practices through pilot activities and exchanges
- TA/training to clarify roles & responsibilities

IR 3

- Advocacy/leadership training
- Women as candidates training
- Women's role models in theater, song & rural radio
- Grassroots to policy links with women professionals and women in subsistence

D. Accelerated Economic Growth Strategic Objective (SO9)

1. Development Challenge and USAID's Advantages

Malian per capita income of \$250 per year is about the same as it was 20 years ago. However, over these two decades, per capita income (GNP divided by the population) has fluctuated considerably. During the second half of the 1980s, it fell, then moved up and down in the first half of the 1990s, and began to grow steadily in the second half of the 1990s (following the devaluation in 1994). Agriculture makes up about 40% of Malian Gross Domestic Product, but its influence goes far beyond that level. In fact, most of the variability in annual Gross Domestic Product can be explained by the fluctuations in agricultural income. The economics literature provides an abundance of studies and empirical evidence that agricultural growth is essential to achieve poverty reduction and overall economic growth. In Mali, achieving a higher growth in agriculture will be absolutely essential for increasing incomes and employment and for reducing poverty.

As noted in Section III Assistance Environment, Mali is very vulnerable to economic factors beyond the nation's control – world prices for gold, cotton, oil (fuel), regional political difficulties, and dependence on foreign aid. Except for the latter, these are largely beyond national control, but are still potential challenges to economic progress. Mali must exploit its modest comparative advantages and diversify its products and markets to lessen risks.

After twenty years of sustained donor support, Mali is just beginning to transform its agriculture from a structurally food deficit sector to a surplus producer and net cereal exporter. Increased private sector investments, progress in agricultural production, and agricultural market policy reform are beginning to result in improved returns and must be reinforced and fortified. To identify those agro-industrial sectors that could have the greatest effect on both economic growth and poverty alleviation, while providing some insulation from risk, USAID/Mali contracted for an extensive Agricultural Sector Assessment (see Annex D). The assessment identified key constraints, opportunities, and risks for those agricultural subsectors with the greatest potential for growth.

With productivity gains observed over the past five years and the improving competitiveness of Malian rice in both domestic and West African regional markets (following the CFA devaluation in January 1994), Mali has become a rice exporter. A thriving private sector involved in rice production, milling and marketing is emerging in Mali, especially in the Office du Niger zone. As the second largest donor of the Cereals Market Restructuring Program and one of major donors in the Office du Niger (government-designated agriculture geographic zone), USAID has been instrumental in promoting policy reforms conducive to increased private sector involvement in all aspects of the rice sector. Direct USAID support helped the Malian government to privatize the four public industrial rice mills of the Office du Niger, to revise the land tenure regime and allow private sector access to irrigated land for commercial farming purposes, to develop more than 30,000 hectares of community-managed rice perimeters, to introduce improved milling technologies, and to improve the marketing skills and access to marketing information of rice producers, traders and millers. High transport and tax costs, under-investment in irrigation, land tenure problems, lack of credit for irrigation investments, and processing issues for increasing competitiveness continue to represent major constraints to maintaining and accelerating growth in the sector.

In the livestock sector, marked increases in domestic sales and exports have been evident over the past several years. Sale of livestock and related products is an important source of income for many women in Mali. In rural areas women are the major actors in milk marketing and are often involved in small ruminant production. USAID has continued to lobby for improved livestock sector policies, specifically for improving Mali's competitiveness in exports to coastal countries. USAID has been instrumental in improving marketing efficiencies through improved market infrastructure, developing better managed capacity among livestock cooperatives, and developing stronger business relationships between Malian exporters and importers in neighboring countries. As within the cereal sector, USAID's support to the market information system has assisted in better dissemination of livestock market information and in creating regional trader networks. In addition, USAID's support for improved efficiencies in livestock vaccine production and marketing through the Central Veterinary Laboratory has had significant impacts on animal health and consequently on production. However, in spite of continued progress in livestock production and exports, seasonal feed shortages continue to plague potential accelerated growth in the sector. Consistently better nutrition would allow animals

to be marketed at an earlier age, thereby increasing herd turnover and livestock owners and exporters incomes.

Credit and agricultural finance continue to be top concerns of planners, farmers and private sector operators in virtually all subsectors of the agricultural sector in Mali. The need for efficient financial intermediation to support savings mobilization and subsequent resource allocation to the most efficient and competitive entrepreneurs and projects is paramount to the advancement of the agricultural sector as a source of growth in Mali. USAID, together with other donors, has been engaged in various rather modest mechanisms to strengthen the financial sector for several years now. Within the Office du Niger, USAID has supported a modest, pilot irrigation investment guarantee funding mechanism for the past three years, now showing promising results. In addition, USAID support has helped several individual microfinance institutions, as well as the professional Association of Microfinance Institutions, in strategic planning, business plan development, designing and installing management information systems, and accounting and financial management training. On the agribusiness front, USAID finalized a pilot Development Credit Authority (DCA) loan guarantee program in FY 2001 to provide financing for agribusiness investments. The DCA program is responding in part to the lack of investment financing for agribusiness investments. However, more progressive mechanisms (equity funds, etc.) are needed to stimulate investment over the early and mid-strategy period (two-five years).

The fundamental problem in increasing investment and lending to the agricultural sector is the perceived risk of such investments. Elsewhere, USAID has had considerable success in developing and implementing risk reduction activities and strategies to support agricultural lending. For example, cost-sharing funds have been used in USAID programs for many years and have been relatively successful (Morocco and Kenya). There are a number of other potential options including establishment of leasing companies (to reduce the capital cost of investment), training programs and portfolio management, better business and financial plans to account for risk and risk analysis, together with loan guarantees, cost sharing, and venture capital funds. Such mechanisms could be instrumental in bringing capital to the agriculture sector, inducing expatriate exploration of investment in Mali and increasing the level of investment in market development and penetration.

The basic problems being addressed by this strategic objective are the relatively low level of economic growth in Mali and the consequent low average per capita income. The underlying hypothesis is that with the development of regional market opportunities for select agricultural commodities (for which Mali has a comparative advantage) and with mechanisms for increased production and marketing (inputs, finance, and trade strategies) being developed, an increasing number of producers will emerge and expand these developing regional markets. The result will be increased productivity and incomes in select agricultural subsectors that show the greatest growth potential.

2. Purpose and Definition

The purpose of the Accelerated Economic Growth Strategic Objective is to **Increase Productivity and Incomes in Selected Agricultural Subsectors** in Mali. The Strategic Objective will build on successful elements of the current strategy. It will focus support on the production and trade of selected commodities for which Mali has a comparative advantage and for which production and regional market risks can be minimized in response to investment opportunities. In addition, it will continue targeted assistance to agro-businesses and support to microfinance together with broader bank-financing options through expanded technical assistance, training and institutional financing. As a result of increased stability in the North, targeted agro-business and microfinance assistance will also be extended to include that region. Creating a regional enabling policy environment conducive to economic growth will support all these efforts.

Increasing economic growth and reducing poverty are central objectives for USAID and for the Government of Mali. To achieve these objectives, increased agricultural productivity with production risk reduction and trade are essential. Both acute and chronic poverty and food insecurity have plagued Mali for many years. Climatic risk (drought), leading to degradation of the renewable natural resource base, is a major source of food insecurity and vulnerability for the Malian population (especially women groups involved in agriculture). Risk reduction through productivity improvement and diversity in irrigated food crops for which Mali has a comparative advantage, together with

increased regional trade and support to natural resource management (NRM), will be key to helping Mali become more food secure and achieve sustainable economic growth and increased incomes.

Though the economic growth program is not specifically targeting men or women, USAID fully recognizes the role and importance women play in all sectors. Their active participation in the agriculture sector as a whole is essential for progress to be made in agriculture. Women are important actors in horticulture, irrigation, and small ruminants activities. Women are heavily involved in domestic markets and can become important players in regional trade. Women are the largest group using microfinance and thus benefit most from microcredit programs. These resources are used for creating and expanding income-generating activities.

The Accelerated Economic Growth Strategic Objective will have been accomplished when partners and/or customers increase selected agricultural subsector GDPs and savings generated by MFIs as follows. As the major targets for measuring performance, these are the expected accomplishments (provided through national statistics).

- value of rice production to grow from a nominal base of \$70,324,000 in 2000 to \$91,735,000 in 2007 and \$122,762,000 in 2012
- livestock production from a nominal base of \$148,354,000 in 2000 to \$180,534,000 in 2007 and \$209,290,000 in 2012
- absolute microfinance savings from a nominal base of \$19,644,000 in 2000 to \$63,085,000 in 2007 and \$156,968,000 in 2012.

3. Intermediate Results

a. IR 1: Sustainable Production of Selected Agricultural Products in Targeted Areas Increased

Mali has a large natural resource base for agricultural production. However, agricultural production in Mali is subject to high variability from one year to another. In spite of immense irrigation potential, rain-fed agriculture still dominates the Malian rural economy. Mali's recognized comparative advantage lies in its potential for irrigation and in the livestock subsector as influenced by the availability of animal feed, quality pastureland, and markets.

This Intermediate Result proposes to reduce the production risk and enhance the productivity of the rice, horticulture and livestock subsectors through investment in irrigation (rice and horticulture), animal feed enterprises, together with training/capacity building throughout these subsectors and natural resource management (NRM). Increases in production and income are often used to finance better health care, better schooling, and nutrition for the benefit of women and children.

The current USAID/Mali activities relate primarily to agro-processing with some production focus efforts primarily aimed at the rehabilitation of irrigated areas, training of producer groups on NRM practices, facilitation of access to inputs and production technologies, and cooperative business management training. Continued USAID support is necessary to: a) foster the livestock production and ensure a sustainable flow of income to people working in the sector, b) expand land area under irrigation, c) replicate and expand USAID experience in Community-Based Natural Resource Management (CBNRM) to targeted areas of the country.

The potential for productivity enhancement and risk reduction through irrigation investments is enormous. Risk is reduced for the family participants because they are no longer as dependent on rainfall. Risk is reduced for the economy as a whole as well, because the overall market basket becomes somewhat less vulnerable to rainfall variability. The productivity enhancement is obvious - crop yields will be multiplied many fold in the impacted zones. One important crop that will be produced is rice. Much of the increase in rice production will be exported to neighboring countries. The potential for increasing regional rice exports has been clearly identified in various studies.

In addition to rice, there will be an increase in horticultural crop production (done mainly by women). About 40% of the market sales of products in the Office de Niger zone comes from horticulture products, most of which is produced by women. Sector growth will mean increased income for women. These crops are produced both for domestic and export markets. Some of them also offer potential for value-added processing. Before making the specific investments, further analysis of the

benefits and costs of alternative irrigation investments will be undertaken. Possibilities include canal irrigation in the Office du Niger geographic zone, water catchment area irrigation, and small and medium scale irrigation. The objectives are to expand irrigated areas to reduce risk, enhance productivity, and to enter developing regional markets. It should not be assumed that women will benefit equally though. USAID will assess the impact of the interventions on the well being of women and their families.

Yield increases for sorghum and millet of 20-30% are possible if improved seed varieties were more widely available and used in combination with fertilizer and water retention technologies. The Government of Mali is getting out of the seed business in 2002. Analysis indicates that under current conditions, multiplication of sorghum, millet, and maize seeds is not profitable on a pure private sector basis. USAID may work with research centers and other donors to support rationalization of these basic functions. Moreover, USAID may provide assistance to non-government organizations and/or producer associations who will engage in seed multiplication and dissemination. Creating an appropriate incentive system to accomplish the multiplication and dissemination and to help the more successful operations evolve towards private seed companies is critical.

The Production Intermediate Result will assist Malian farmers in irrigated areas and private entrepreneurs in the animal feed sector to seize the opportunities offered through increased access to production infrastructure (particularly in rapidly expanding irrigated areas) and technology, capacity building, together with reinforcing a sound natural resource management policy environment. This in turn will lead to increased volumes of rice, horticulture products, feed produced, and incomes for farmers.

The use of improved natural resource management (NRM) practices is a key to the sustainability of production. The degradation of the environment will negatively affect the production system. To minimize that degradation, the Government of Mali has adopted a National Environmental Protection Policy. Activities may include CB/NRM, support to review of NRM policies, training, income generation activities, etc, in conjunction with expansion of production potential in targeted areas.

Illustrative Activities:

- Expanded production of least cost feed rations for livestock;
- Business management training for livestock feed enterprises
- Training of farm producer groups in business and management practices
- Financing of irrigation infrastructure and water points
- Irrigated land tenure reform
- Support for seed multiplication and distribution
- Training and extension of Community Based Natural Resource Management (CBNRM) techniques
- Improvement and dissemination of CBNRM regulations

Key Indicators:

- Number of operational feed mills (enterprises) is increased.
- Volume of feed produced by the mills is increased.
- Acreage under irrigation is increased.
- Degradation of Natural Resources is decreased.
- Availability of improved seeds is increased.
- Volume of Rice and of Animal Feed produced.
- Number of Hectares under Horticulture production.
- Number of Hectares under approved NRM Management Plans.
- Number of Producers who adopt improved NRM practices.

b. IR 2: Trade of Selected Agricultural Products Increased.

Mali has a long history of market reform, spanning over a period of 22 years. The first market reform efforts concerned the agricultural sector with the initiation of the Cereals Market Restructuring Program in 1981. Under this program, the government removed all legal barriers to private cereals marketing and let demand and supply determine producer and consumer prices. Except cotton, water, electricity and telecommunications, all other prices are now market-determined. The government's

commitment to private sector-led growth is being translated into the restructuring and privatization of public enterprises and into policies that promote private investment (both domestic and foreign).

Economic liberalization and the exchange rate policy change have substantially improved the competitiveness of Mali. The productivity gains obtained after the devaluation of the CFA Franc in 1994 led to the diversification of Malian exports and export markets. Increased stability in the North is also opening opportunities for increased production and export from that region. The stage is now set for substantive economic gains through trade. However, in order to obtain substantial gains, a number of constraints still impeding trade need to be addressed. These constraints include: low traders' marketing skills and knowledge of regional and international trade regulations, high transaction costs, inappropriate policies in some cases, lack of access to trade financing, poor marketing infrastructure.

Current USAID efforts will be pursued and enhanced, and new activities will be initiated to promote and increase regional (as well as international) trade that will have greater impact on the growth of the Malian economy.

Illustrative Activities:

- Strengthening and expansion of the Market Information System
- Expansion of marketing infrastructure
- Pursuance of trade policy reforms
- Strengthening of the capacity of professional trade organizations
- Expansion of agriculture markets

Key Indicators:

- Trade organizations expand their capacity to formulate policy options and effectively lobby for improved policy environments
- Malian Commerce Directorate have a trade promotion program that meets the needs of the private sector
- Range of products covered by the market information system is widened and traders have access to timely market information
- Volume of cereals, livestock, fruits and vegetables, and hides exported
- Expansion in the use (nationally and regionally) of the Market Information System.

c. IR 3: Access to Finance Increased.

The banking/financial sector does not play the role it could in the liberalized Malian economy and in particular within the agricultural sector. Credit access and financing instruments, particularly in regard to the agriculture sector, are top concerns of planners, farmers and private sector operators throughout the sector. The need for efficient financial intermediation to support savings mobilization and subsequent resource allocation to the most efficient and competitive entrepreneurs and projects is very important to the advancement of the agricultural sector in Mali.

This intermediate result will consist of increasing the access of producers (especially women's groups) to financial services and increasing investment in agriculture. Current USAID/Mali activities have focused on the development of sustainable microfinance institutions and new financial tools that promote investment (i.e. Development Credit Authority-DCA). However, several constraints in the financial sector remain to be addressed in order to secure resources for the agricultural sector and the economy in general. These constraints include the lack of financing options for the investor/producer in the medium to long term; the existence of market information asymmetry; lack of professional training for MFI staff; prior misuse of credit and lack of understanding about credit; and high transaction costs.

Illustrative Activities:

- Creation of financial tools permitting the leveraging of funds used for mid/long term investment in the agriculture sector
- Improvement of the credit bureau and creation of microfinance institutions' (MFIs') credit bureaus to re-enforce confidence in client lending risks

- Strengthening banks and MFIs' capacity to manage agricultural risk, to manage the loan portfolio and to develop bankable proposals
- Development of complementary mechanisms between the MFIs and commercial banks, businesses, and financial institutions to address mid-size credit borrower needs
- Improvement of the policy environment for financial institutions

Key Indicators:

- Policy environment is conducive to facilitated access to credit
- Increased investment is made in the agricultural sector.
- Number of business plans submitted to banks and other financial institutions.
- Number of loans granted through diverse instruments for agriculture.
- Number of loans granted through microfinance institutions (MFIs).
- Number of income generating activities created through MFIs.

4. Contextual Assumptions

It is recognized that USAID is not able to make major infrastructure investments, such as building roads or electricity generation and distribution. These are expensive activities, but very necessary in the long-run if Mali is to achieve sustained economic growth. Other donors, like the World Bank, IMF, and France, are working in these areas. USAID will remain intensively and consciously engaged in donor coordination forums through the period of this strategy. The Malian liberalization of ownership, private sector control of production, processing, and marketing is expected to continue. Government involvement in the cotton sector should be finished by 2005.

Drought and regional instability effecting market potential are constant threats in Mali and West Africa as a whole. We believe a conscious and purposeful focus on market diversification within the context of irrigated agriculture can reduce, but certainly not eliminate, this risk. Other risks and vulnerabilities include: disruption of neighboring trading partners (political and within markets), equitable income distribution, corruption and non-adherence to West Africa economic and trade policies, major price fluctuations for key commodities, illegal taxes internally and at borders, continued bank aversion to risk and loss of a common currency and link to the Euro.

5. Linkages

a. Linkages within SO

All three Intermediate Results are inter-dependent and, on their own, significant results at the Strategic Objective level will not be achieved. Production increases by farmers need to be marketed and linkages through trade must be expanded. Current systems are inadequate. Additionally, neither production nor markets/trading can expand unless there are substantial increases in financial resources available to pay for these expansions. When the results have been achieved, there will be sustainable increased production and trade of selected agricultural commodities for which Mali has a comparative advantage. Conditions will exist for sustainable production increases of these commodities in targeted irrigated areas throughout the country and enhanced regional trade relations will exist.

b. Linkages within Mission Strategy

The USAID/Mali Accelerated Economic Growth Program is linked to accomplishment of USAID's Economic Growth, Trade, and Agriculture pillar ("Broad-based economic growth and agriculture development encouraged" and the "The world's environment protected for long-term sustainability" goals) and the Economic Growth sector under the Mission's Performance Plan. The activities related to improved sustainable production, increased trade, and increased access to financial services of the Accelerated Economic Growth Program clearly fit within the economic focus areas of the Agency and the Mission.

The Accelerated Economic Growth Program will have linkages to many areas that will strengthen economic growth: with the Education SO providing the fundamental knowledge base in the rural populace necessary to recognize, take advantage of, and exploit new agribusiness opportunities; with

the Shared Governance SO to create effective advocacy throughout civil society for legislative reforms conducive to economic development (legal reforms regarding micro-finance institutions and reducing illicit export taxes, legal recognition of village associations as part of the cooperative law); with the Health SO to bridge increased agricultural production, income growth and levels of childhood nutrition, including the development of policy recommendations and specific interventions to improve nutritional status; and with the Communications Special Objective for wide use of radio and internet to enhance access to quality and timely market information for producer groups and interested private sector actors. Increased incomes generated from this SO will provide funds at the community level for increased investments in schools and hospitals where needed.

Limited Food For Peace (FFP) resources are expected to be available from monetization of FFP commodities outside of Mali. Those resources, if available, will be used solely to support activities that contribute directly to achievement of results under the Mali CSP. In the case of IR 9, this will mean such FFP resources will have to be used for activities that increase agriculture production for the targeted subsectors or help to increase trade or financial resources.

The USAID West African Regional Program (WARP) portfolio has an important trade component. It is based on the recognition that in order for the countries of West Africa to stimulate and maintain economic growth needed to increase household income, these countries must work in a regional framework. Regional economic integration is expected to provide West African states with the necessary conditions for attracting private investment and stimulating domestic markets and cross-border trade. The Accelerated Economic Growth Strategic Objective program will work closely and in close coordination to the WARP Regional Trade agenda. The WARP Strategic Objective 1 (SO1) for regional economic integration, which supports fora at which regional institutions can discuss and formulate a common agenda for regional economic integration, addresses the removal of barriers and impediments to trade. These broad obstacles range from lack of standardized banking and accounting practices, of uniform customs procedures, inefficient and unreliable energy systems to restrictive trade and investment policies and lack of transparency in transactions. SO1 integrates individuals from different parts of civil society in West Africa to participate in consultations, dialogue and information sharing on and/or about economic development issues. The aim is to build real African participation and leadership in the development agenda, and to strengthen the political will of governments to implement programs developed by or with civil society.

c. Conformance with Donor and GRM Programs;

USAID/Mali has identified several partners within both the public and private sectors to work with in implementing the production program in targeted areas. They include the Technical Agencies of the Ministry of Rural Development (Office du Niger, Office de la Haute Vallée du Niger, Office Riz Ségou, Office Riz Mopti, Office Malien de Betail et Viande, and Direction Nationale de l'Aménagement et de l'Équipement Rural). Farmers Associations, other Private Sector Groups.

The Accelerated Economic Growth program proposed herein is fully in line with GRM strategies and action plans as defined in the following documents: "Master Scheme for the Development of the Rural Sector during the period 2002-2010", "Strategy and Perspectives of the Microfinance Sector in Mali", "Microfinance Action Plan", "National Environmental Action Plan and the National Programs of the Convention on Desertification" and the PRSP. The Accelerated Economic Strategic Objective will be implemented in close collaboration with the GRM institutions in charge of the above-mentioned strategies and programs and with other donor agencies.

USAID/Mali has identified some key public and private partners to work with in implementing a trade development program. Among these, private trade organizations in the cereals, livestock and horticulture sectors like Association Malienne des Exportateurs de Légumes et Fruits, Federation des Groupements et Organisations Inter-Professionnelles du secteur-Betail et Viande du Mali, and Réseau des Opérateurs Économiques du Secteur Agro-Alimentaire du Mali will probably be key players in working with USAID to alleviate remaining barriers (formal and non-formal) to trade and to tackle issues related to capacity strengthening in the area of understanding regional and international trade rules and regulations.

Key government entities in charge of trade like the Commerce Directorate the Ministry of Industry, Commerce and Transport and regional institutions like Inter-State Committee to Combat Drought in

the Sahel, West African Economic and Monetary Union and Economic Community of West African States will undoubtedly play a major role in the development and enforcement of harmonized regional trade regulations, grades and standards, and the reduction of transportation costs, in close collaboration with the private sector.

USAID/Mali has identified some key public and private partners to work with in implementing a finance program. Among these, private financial organizations like Association Professionnelle des Etablissements Bancaires et Financiers, Association Professionnelle des Institutions de Microfinance, and Association professionnelle des agro-entreprises. Key Government entities in charge of financial sector include Cellulle d'Appui et de Suivi des Systèmes Financiers Décentralisés, Ministry of Economy and Finance, Banque Centrale des Etats de l'Afrique de l'Ouest, Chamber of Commerce, and the Ministry of Commerce. These will probably play a major role in the development of the financial sector.

The proposed Accelerated Economic Growth program will be implemented in close collaboration with other donors/development partners in the economic growth sector to achieve results. USAID/Mali is an integral and active member of the World Bank coordinated Joint Donor Group currently involved in the irrigation sector (National Rural Infrastructure Program), as well as the National Agricultural Sector and Farmers Organizations Support Program in Mali. Close coordination is maintained among the donors in each of these groups with frequent and open information exchange and planning meetings within the group on a regular formal basis. Many of the proposed Accelerated Economic Growth activities will complement and support those currently underway from our development partners, international organizations and local institutions.

Other donors working in the production sector, with which collaboration will be sought, include: World Bank, Canada and French Cooperation. In the area of microfinance development and agribusiness development they include: the European Union and the Netherlands. In the livestock sector development, irrigation and marketing policy reform France is a major donor. In marketing policy reform, microfinance and rural development the Netherlands is a major donor. In marketing policy reform, agricultural research, alternative commodities development and irrigation, Canada is an active donor. In policy reform and food security, World Food Program is active.

6. Instruments

This SO will assist local non-government organizations in further becoming capable, independent partners so that they are recognized as providing “value added” with their respective agendas and they can increase strategic cooperation and coordination of efforts setting the stage for economic growth. USAID's main partners are government and non-government organizations (including women's groups), who either tackle problems directly or encourage and support national organizations and the private sector to make available the necessary inputs (land, technology, labor and capital etc.) to enhance production, regional trade, and provide the means of accessing the financial resources necessary to achieve accelerated economic growth. Also, long-term training for men and women may be provided in instances where crucial expertise is not available locally in economic growth areas directly related to implementation of some aspect of SO9.

Contractors will undoubtedly also assist in implementing the Accelerated Economic Growth Strategic Objective. Their services will be procured through Requests For Proposals or Task Orders.

U.S. Private Voluntary Organizations, in partnership with local non-governmental organizations, community organizations, federations and associations will help implement the program, with services procured either through Requests For Assistance or Annual Program Statements.

There is a potential to also use Non-Project Assistance (NPA) for support of the Government of Mali, where assistance to strong, ongoing programs that link directly to result achievement. Such a possibility will largely depend on the effectiveness of certain government programs, the transparency of operations, and the policy framework under which they operate.

Results Framework for SO9

Productivity and Incomes Increased in Selected Agricultural Subsectors

Overall Indicators:

- Ind : Rice subsector income
- Ind : Livestock subsector income
- Ind : Absolute amount of savings generated by Malians microfinance institutions

Development Context:

- Track GDP growth rate
- Track % living in poverty

Risks & Vulnerabilities:

- Drought (irrigation focus)
- Disruption of neighboring trading partners (market diversification)
- Equity distribution (monitor national data 2-3 yrs, modify?)
- Donor Coordination (joint donor committees)
- Periodic Regional Price fluctuations (10 yr strategy focus)
- Illegal Taxes at Borders (build awareness in local languages)
- Banks aversion to risk in Agr. Sector (Equity fund, DCA, etc.)
- Devaluation (Economic Growth focus)

Intermediate Results

Intermediate Result 1

Sustainable Production of Selected Agricultural Products in Targeted Areas Increased

Indicators:

- Ind 1.1: Volume of rice and animal feed produced.
- Ind 1.2: # ha under horticultural production (aggregated by gender).
- Ind 1.3: # hectares under approved Natural Resource Management plans.
- Ind 1.4: # producers who adopt improved NRM practices.

Intermediate Result 2

Trade of Selected Agricultural Products Increased

Indicators:

- Ind 2.1: Volume of cereals exported
- Ind 2.2: # of heads of livestock exported
- Ind 2.3: Volume of fruits & vegetables exported
- Ind 2.4: Volume of hides and skins exported.
- Ind 2.5: # of policies (including environmental policy), norms, standards etc, drafted & effectively lobbied.
- Ind 2.6: # of contract agreements signed/executed based on the Market Information System (MIS).

Intermediate Result 3

Access to Finance Increased

Indicators:

- Ind 3.1: # of business plans submitted to banks and financial institutions (aggregated by gender)
- Ind 3.2: # of loan granted through diverse instruments (aggregated by gender).
- Ind 3.3: # of loans granted through MFI
- Ind 3.4: # of Income generating activities created through MFI (in the North)

Illustrative Sub IR

Access to improved animal feed increased

Irrigation expanded

Village associations control over NR increased

Use of market information increased

Trade related infrastructure increased

Enabling environment improved (capacity of private/public sector re. trade regs, transport, advocacy policy, standards)

Use of diversified credit instruments increased

Entrepreneurs/Farmers capacity to develop bankable loan application increased

Illustrative Activities

- Training
- Agricultural Inputs
- Technology development and dissemination
- Irrigation canal built
- Capacity building
- Income generating activities (NRM)

- Strengthen Market information system
- Develop market infrastructures
- Conduct Policy Studies, Analyses and dialogue/Reform
- Capacity building of professional trade orgs
- Market Development

- Training and TA for micro finance inst.
- DCA? Equity funds and other instruments
- Strengthening micro finance institutions including making them financially sustainable
- Leveraging other donor funds
- Business planning
- Development of bankable business plans
- Policy reform/regulation

E. Communications for Development Special Objective (SO10)

1. Development Challenge and USAID's Advantage

Information and communication technologies are a powerful force in shaping the twenty-first century. Their revolutionary impact affects the way people live, learn and work, and the way government interacts with civil society. Information and communications technology is fast becoming a vital engine of growth for the world economy. It is also enabling many enterprising individuals, firms and communities, in all parts of the globe, to address economic and social challenges with greater efficiency and imagination.

USAID's Agency Strategy 2000 confirms this importance, stating "Information technology (IT) is more than an enhanced means for achieving development objectives. Information technology transforms processes and institutions, often creating opportunities and linkages that were previously not possible or even imaginable a decade ago—in basic education and life-long learning; in enterprises of all sizes; in participation in government; in disease prevention and control; in disaster assistance; and in development cooperation. Enabling more widespread participation and empowerment in the global information society is an important development result in its own right."

Mali requires continued assistance in invigorating the four major prerequisites of an information society, all of which are U.S. strengths: fostering effective policy and regulatory readiness; improving connectivity, increasing access to information technologies and lowering cost; building human capacity; and encouraging participation in global business activities. Although access to modern information and communication technologies has grown in recent years, few Malians have access to these technologies or know how to use them. To bridge this gap, linkages need to be developed that give all citizens access to the information they need to make informed decisions. Today, these linkages don't exist.

Under the current strategy and **Information and Communication Special Objective**, inroads were made for the introduction and use of new information technologies, and for the integration of existing technologies. The downloading of web sites via the new "WorldSpace" digital satellite technology was demonstrated for the first time ever in Mali. WorldSpace audio programming was demonstrated and introduced to the federation of private radio stations and the Peace Corps. USAID played a significant role in the development of strategies for telecenters for Mali's 703 communes, which will provide citizens with a broad range of information and communication technologies. Information and communication technologies are vital to a young democracy, ensuring that citizens are well informed and have a voice in the governance of their affairs.

Notwithstanding these impressive accomplishments, much remains to be done in this sector. Mali's illiteracy rate still remains among the highest in the world, which means that radio is still the most appropriate method of getting information to people. Since rural radio is low-cost, community-based and broadcasts in local languages, it can provide a wide range of information on a host of development topics. The emergence of new communication technologies (e.g. wireless Internet services) has resulted in a chaotic regulatory environment that needs to be addressed. Internet is more or less readily available in the capital city, but availability is still very limited in other areas of Mali. More training is needed in all areas of the IT sector to keep up with the vast growth and proliferation of technologies. Technical assistance is required on the convergence of the technologies, bridging high-tech opportunities to low-tech systems.

Applications and how to use the new and existing information and communications technologies is the next logical step for Mali at this time. Applications need to be developed to take full advantage of all the policies and infrastructure that are being put in place, and the training that has been provided. Civil society needs applications to use the new technologies that communal telecenters will offer. Small businesses need to market their goods and services using e-commerce techniques, and to obtain market information. University teachers need new tools to make full use of the Internet and to introduce new information technologies in their curricula. Linkages need to be developed with community radio stations for disseminating information from the Internet to the masses. Government agencies need to modernize their communication, accounting, management and administrative systems to make full use of these new technologies. This is just a partial list of the types of

applications that need to be developed, and Mali is ready to receive these applications to take full advantage of its successful inroads in the sector.

2. Purpose and Definition

The new **Communications for Development Special Objective** can be defined as follows: **“Accelerates development by making information accessible through innovative communication techniques and appropriate tools”**. The Communications for Development Special Objective will create opportunities for Mali to participate in the Information Society as it applies to development.

The Communications for Development Special Objective, which is designed to cover a five-year period, provides a mechanism through which USAID/Mali can continue to provide direct technical support to the other SOs while simultaneously pursuing newer, more cost-effective ways of disseminating information. The SpO will respond to requests from the GRM and local associations and development partners for technical assistance in creating and developing information and communication activities, ranging from high-tech Internet-based systems, to more grass-roots, radio-based programs. It will provide opportunities for partnerships in the Information/Communications Technology (ICT) sector. The SpO may also be a technical resource for the Mission’s growing twinning and regional responsibilities, in which a growing demand for information technology-related services is emerging. The SpO will also provide a programmatic linkage between USAID/Mali and the various USG information and communications technology initiatives that are in place, such as the Leland Initiative, Internet for Economic Development (IED), and the Education for Democracy and Development Initiative (EDDI).

The new five-year Communications for Development Special Objective is a logical outgrowth of the current Information and Communications SpO, taking advantage of the inroads accomplished in the past and forging ahead by introducing new, affordable information access technologies that have just recently emerged. The new SpO will capitalize on the local, regional and global paradigm shifts that are occurring in the policy, regulatory, tariff and technical arenas. It will continue to provide direct support for all of the other SOs by offering the tools and context for producing, organizing and disseminating information on health, education, democratic governance and decentralization, economic growth and trade, and the development of the North. As such, it will serve as an important development pillar for the USAID/Mali program. Moreover, as a stand-alone special objective, it will continue to break new ground in the use of newly developed, digitally-based information and communication technologies, while providing policy, regulatory and technical guidance on their use. It will innovate by designing activities to promote national and regional trade, building linkages between the Internet and Mali’s growing community radio network, fostering partnerships in the information and communications sector, and developing applications that take full advantage of new and existing policy and regulatory decisions, infrastructure investments, and training.

One might argue that information technology should be a crosscutting theme in the USAID/Mali portfolio. There are several compelling reasons why we have chosen to create a Special Objective, instead of relegating information and communications to a “theme”. The Communications for Development SpO will have separate and discreet funding, staff and results accountability; a SpO provides the cross-cutting support of other SOs (per ADS 201.3.4.5), while at the same time, introducing new communication techniques and technologies that would be beyond the scope of the other SOs; a SpO provides a centralized, coordinated mechanism for interacting with the various ICT initiatives (Leland, EDDI, IED, etc.) and the Global Alliances initiative; a stand-alone SpO solidifies the US Government’s pledge (from the G8 summit) to support the desire and commitment of developing countries to bridge the digital divide; a SpO has a very high potential for synergy with other SOs and with the activities of other donors, and buttresses USAID/Mali’s strong leadership role in this sector; and a SpO provides the Mission with a coordinated, single source of technical assistance for GRM and local development partners on ICT issues. Finally, a SpO could provide assistance in support of the Mission’s twinning and regional responsibilities.

The Communications for Development Special Objective will directly address the two main focus areas of the new USAID/Mali Country Strategic Plan: it will help reduce poverty and accelerate economic growth by providing information that has intrinsic value. Entrepreneurs and farmers can be more productive and earn more if they have more information on markets and more trade

opportunities; people can be better informed on health and education matters because of informative radio programs. Three performance measures are used to show progress. By 2007, the number of new information and communication technologies adopted in Mali should increase in five years by five, the number of partnerships with the private sector initiated to enhance communications should be increased in five years by six, and the number of respondents in surveys who report an understanding of program generated messages and who demonstrate a willingness to change behavior because of such messages increases by 5% per year (over the baseline, which still needs to be determined).

3. Intermediate Results

The five-year Communications for Development Special Objective will include three Intermediate Results: IR 1 addresses the quality and quantity of development radio programming, using both existing and new technologies. IR 2 focuses on partnerships between “ICT poor” organizations and those wishing to provide commodities and services to enhance Mali’s ICT sector. IR 3 deals with policy and regulatory issues.

Under the Communications for Development Special Objective, all proposed activities are demand-driven and are designed to stimulate growth in the ICT sector. Many interventions will directly support the other SOs in achieving their results, by developing targeted information messages on development topics, and by promoting positive behavior change through radio programming. Other activities will introduce new, affordable and sustainable information technologies that provide broad-base information access, preferably through partnerships and alliances. Policy interventions will ensure a favorable political environment for the introduction and use of new technologies.

Following are proposed interventions to be included under the three Intermediate Results:

a. IR 1: Quality and Quantity of Development Information Enhanced

Under this Intermediate Result, activities will be designed to enhance the quality and quantity of development information on the radio and the Internet by using appropriate communication techniques and technology. This IR is in direct support to all of the other SOs in the Mission’s portfolio, and will help them address their information dissemination concerns and needs. The focus of IR 1 will be both the technical tools required for information dissemination (radio, multimedia, Internet, WorldSpace, etc.), as well as the communication techniques used to make the information understandable, relevant, and palatable.

Illustrative activities:

Develop radio programs and radio campaigns on topics directly related to USAID/Mali’s Strategic Objectives: Building on the success of the Information and Communications Special Objective, USAID will design and implement radio broadcast campaigns on topics related to health, education, economic growth and democratic governance themes, using existing technology (FM broadcast stations) as well as new technologies (WorldSpace digital receivers and multimedia). In addition to technologies, activities will also involve communication techniques, such as soap operas, comedy, music, theater, etc. to effectively communicate development messages. Activities will also be designed to enhance the local capacity to design and produce effective radio programs.

Establish linkages between radio stations and the Internet: Using newly-emerging digital technologies (such as WorldSpace, VITASat and others), USAID will provide information, training, and possibly low-cost Internet access for radio stations, thus greatly enhancing their capacity to produce high-quality and timely radio programs using the latest information on a wide range of development topics, and providing a mechanism for rapidly distributing radio programs for broadcasting.

Introduce new information exchange and dissemination technologies and promotion of existing technologies: Newly developed and affordable technologies for connecting communities to information networks are becoming available for bridging the digital divide between less developed countries and more developed nations. USAID will introduce and promote these technologies, helping communities to identify appropriate systems based on their needs, including relevant technical assistance and training. Activities implemented under the Communications for Development SpO will also assist communities in setting up and managing their community-owned radio stations and will

provide training in the production of radio programs. All new technologies introduced under this SpO will be selected on the basis of the following criteria: they must be affordable, provide broad access to as many people as possible (especially women and, where appropriate, children, who traditionally have more difficulty accessing information than men), and must be sustainable.

Enhance women's access to and exchange of information via radio and Internet: To ensure that women have access to development information and that they are able to disseminate information they have created, special activities will be developed to provide training and sensitization for women's groups. Radio clubs will be created on topics directly related to women's issues, and Internet and web development training will be provided for women's organizations. USAID will assist appropriate local women's organizations in the creation of web sites devoted to women's issues. This activity will take advantage of partnership and alliance opportunities for women's groups, such as the Freeplay Foundation's program to provide radios for women.

Extend the coverage of Internet resources in areas outside of Bamako: Currently, Internet services are available mainly in Bamako, the capital city. The Communications for Development Special Objective will develop activities to enhance access in other major cities and towns, by creating pilot community telecenters or supporting programs of other donors and organizations working to create telecenters.

Key Indicators:

- Number of campaigns undertaken, and surveys on the impact of the broadcasts.
- Number of communities capable of managing their own small-scale information and communication systems, including radio stations, and basic store/forward email systems
- Establishment of a radio Internet network, linking radio stations to each other and providing Internet services for use in developing programming material.
- Number of women trained, the number of web sites created, and the number of women's radio clubs facilitated. Indicators will be developed to track the impact of these activities on women.
- Data on the availability of Internet services in the eight regions of Mali, as well as the number of community telecenters created or assisted.

b. IR 2: Partnerships in the information and communications technology sector established.

This IR focuses on activities designed to facilitate partnerships between information and communications technology (ICT) firms and local organizations. It will explore technologies and techniques for enhancing electronic trade and e-commerce options, and make available technical assistance and training for ICT activities.

Illustrative activities:

Facilitate partnerships in the ICT sector: USAID can play an important role in encouraging partnerships and alliances between Malian and U.S. information technology firms, and in leveraging funding from U.S.-led initiatives. This could be done through assistance with trade missions and fairs, technical assistance for program design, and loan-guarantee mechanisms.

Provide technical assistance on information and communication systems: This will enable USAID/Mali to respond to requests for assistance from GRM and local development partners for setting up Internet networks, using radio as part of their programs, or introducing new information and communication technologies. USAID's leadership in this sector will be leveraged to entice development partners and other donors to join our efforts in promoting ICT activities in Mali.

Expand national and regional trade: Electronic trade and e-commerce in Mali are constrained by the almost total lack of mechanisms for paying for goods and services. USAID will demonstrate and promote new technologies for logistical and financial management of e-commerce and trade over the Internet, especially in such niche markets as handicrafts and tourism. As appropriate and required, the SpO will also provide technical assistance and training in new technologies.

Key Indicators:

- Number and size of partnerships forged between U.S. and Malian institutions.
- Number and quality of guidance and technical assistance sessions provided
- Number of information systems set up and the number of alliances established.
- Creation and establishment of systems and mechanisms for the payment and trade of goods and services over the Internet.

c. IR 3: Regulatory and policy constraints to information access reduced.

The focus of this IR will be activities designed to enhance the regulatory and policy environments in the ICT sector. It will provide technical assistance and guidance to Malian regulatory and policy-making bodies for streamlining the radio frequency assignment process, regulating the technical management of Internet services, and other regulatory-related activities.

Illustrative activities:

Support liberal policy and regulatory frameworks for emerging information and communication systems and programs: The U.S. has one of the World's most dynamic telecommunication sectors, due largely to its liberalized regulatory and policy environment and an innovative private sector orientation. Thus, USAID is well poised to assist Mali in the liberalization and the rational regulation of its telecommunications sector, through technical assistance and training for the newly created telecommunications regulator body (the Comité de Régulation des Télécommunications), as well as the proposed regional regulatory organization (WATRA, the West Africa Telecommunications Regulatory Agency). This policy and regulatory support activity also provides synergistic opportunities under the West Africa Regional Program, and the Mission's twinning responsibilities.

Key Indicator:

- Mali's adherence to regulatory policies developed by and for Africans.

4. Contextual Assumptions

Prior to proposing specific activities for the next country strategic plan, USAID envisioned Mali's information & communications sector from the present to the year 2007, looking at existing trends, GRM commitments and priorities, and the evolution of the information and communications technology sector, and came up with a scenario describing what Mali would be like in the next few years, in terms of access to information and communication systems and policies. Following is a description of that scenario, which describes the contextual assumptions under which this Special Objective was designed:

- Mali maintains its policy of freedom of speech.
- Mass media continue to enjoy journalistic freedoms.
- Mali has self-regulatory bodies in place in the ICT sector.
- The GRM continues to provide strong support for the ICT sector.
- The U.S. private ICT sector continues to be open to partnerships with Malian ICT organizations and institutions.
- The Internet continues to provide relevant and useful information on a wide range of topics directly related to development activities and programs.
- The GRM continues to pursue its goal to establish telecenters in all of Mali's communes.
- Recent changes in Malian fiscal policies, notably the reduction of customs duties on computer and radio broadcasting equipment, become operational and are consistently applied.
- The GRM pursues its policy to privatize and liberalize the telecommunications sector, allowing private-sector entities to operate in a regulatory environment that encourages competition, and offering fiscal policies that encourage private investment.
- Strong, autonomous local and community organizations and support groups are promoting information technologies, and providing community-based information access points in areas where private-sector firms have not yet been established.
- Decentralization process stays on track, resulting in a civil society operating in an environment of public accountability.

- Private information technology sector thrives, with support from US equipment manufacturers and service providers.
- Impact of information and communication programs on Mali's overall economic growth are identified and their importance is recognized.
- Mali's information and communication programs take on a regional importance, transcending borders, facilitating the flow of information throughout the region, and reinforcing regional integration.
- Computer networks are proliferating throughout Mali's private and public sectors.

5. Linkages

a. Linkages within SpO

The three Intermediate Results within the Communications for Development Special Objective form a well-integrated and inter-dependent package. Successful radio messages cannot be broadcast, and new technologies cannot be introduced, without a policy environment that is conducive to information access and the introduction of information technologies. Partnerships between private-sector firms and local associations and organizations will result in greater and improved services, and potentially more equipment, for the local ICT sector, which will result in making information more readily available.

b. Linkages within Mission Strategy

The activities proposed in the Communications for Development SpO will directly benefit all of USAID/Mali's SOs. The introduction of new technologies and support for existing programs will provide information on a wide range of development topics. Following are a few concrete examples of how the SpO will benefit and strengthen the entire portfolio.

High Impact Health Services (SO6): targeted radio broadcasts will increase demand for, and facilitate access to, quality family planning, child survival and HIV/AIDS products and services, and promote social marketing of contraceptives; the Internet will facilitate decentralized training in norms & procedures for health workers through distance-learning programs.

Improved Quality of Basic Education (SO7): school-level teacher support improved through radio education programs for teachers in school clusters; radio education programs for children to enhance curriculum for grades 1-6; radio education programs for the community to increase parent participation in schools; literacy radio programming for adults and children not in school; women have access to radios.

Shared Governance through Decentralization (SO8): promotion of participatory mechanisms for citizens and transparent management of local resources by elected leaders, and facilitation of civic education campaigns (Governance SO).

Accelerated Economic Growth (SO9): improvements of the quality of agricultural products for by providing extension messages via radio, enhancing trade through market information systems, disseminating information on environmentally-sound agricultural practices, and enhancing awareness of microfinance opportunities and responsibilities; expansion of Malian exports by promoting Malian products on the Internet.

In addition to linkages within the Mission strategy, the Communications for Development Special Objective also will contribute to four of the Africa Bureau's focus areas: radio programs on agricultural production techniques and extension messages will help farmers grow more food to improve nutrition and reduce poverty, and cut hunger; radio will be used to enhance education activities; the Internet and new information technologies will encourage national, regional and international trade; and radio coverage of decentralization, elections and civil society issues will enhance transparency, which will help combat corruption.

c. Conformance with Donor and GRM Programs

Mali has enjoyed strong leadership in the push for new information and communication technologies. In July 2000, President Konaré met with the UN Economic Council and proposed that “Part of the African debt should be used to pay for connection to the information technology highway, the development of telecommunications infrastructure and Internet”. Moreover, President Konaré led the push in 1996 for the creation of the first African Internet Network, that today operates in seven countries. Mali has recently completed an exercise to develop a strategy for providing information access (via community telecenters) to its 703 communes. Mali enjoys a favorable policy environment, which includes private and public sector partnerships as well as associations and federations, and benefits from the lowest Internet access costs to private-sector providers of the West Africa region. A study conducted by USAID in 1996 demonstrated that Mali’s legal and regulatory frameworks are favorable to the development of the information and communication sector. The national telecommunication parastatal is in the process of being privatized. The telecommunications sector is being liberalized and deregulated, and a second private telecom operator was recently awarded a license. Mali has created a new, independent telecommunications regulatory organization and is participating in the creation of a regional telecommunications regulatory agency. Mali has a dynamic chapter of the Internet Society, which is pursuing a mandate to extend Internet access throughout the country. The local Internet service providers have created an association to share resources and provide advocacy for Internet policies. More work is needed in the policy arena, specifically in the areas of frequency allocations for new wireless technologies and licensing policies in a privatized telecommunications sector, but Mali has made significant progress.

In 1999, the GRM established a “Mission” on new information and communication technologies, located directly within the Prime Minister’s office. This demonstrates the GRM commitment to placing the highest priority to the IT sector in Mali.

USAID has provided leadership vis-à-vis the donor community in the ICT sector, and continues to be the leading organization in this field. The donor community and the GRM are unanimous in their appeal that USAID continue to play this leadership role in the sector, and set an example for other development organizations. USAID created and works closely with a committee of donors, international organizations and local institutions that support community radio for development activities. The committee now has 21 member organizations, and is being replicated in other countries in the region. This grouping of partners, especially in collaboration with the association of private radio stations, results in accomplishments that would be beyond the reach of any single organization.

6. Instruments

The Information & Communications Special Objective successfully used the Simplified Format Grants to Non-US Organizations (ADS 303.5.15) mechanism to implement many of its activities. This grant format has recently been modified to make it more flexible, and it will continue to be used under the new SpO.

For those local organizations that have been certified by USAID, the Communications for Development Special Objective will use grants and cooperative agreements to support local ICT programs. The SpO will help local organizations gain certification by providing training and technical assistance in financial management and other topics.

The availability of services under the new “dot.COM” initiatives will also be useful for providing partnership mechanisms. These, as well as Task Orders, will also be used to address technical assistance requirements.

Communications for Development Special Objective Results Framework

Accelerate Development By Making Information Accessible Through Innovative Communication Techniques and Appropriate Tools

- Number of new information technologies adopted (Target: 1 new technology/year)
- Number of "projects" initiated through partnerships (Target: 2/year)
- Quantity of information disseminated in support of other SOs (Target: 2 campaigns/year)

Development Context:

- GRM continued support for freedom of speech
- Continued GRM support in the ICT sector
- Private-sector open to partnerships
- Internet continues to provide useful development information

IR 1: Quality and Quantity of Development Information Enhanced

- Radio stations are exchanging information using the Internet and other new technologies to produce radio programs
- Percentage of survey respondents reporting understanding of radio messages

1.1. Messages from other sectors/SOs incorporated into radio programming messages, using appropriate communication techniques

- Number of sector-specific radio campaigns (Target: 2/yr)
- Surveys of the impact of radio programming
- Surveys of the use of skits, soap operas, theater, comedy and other techniques to communicate development messages

1.2. Access of pilot radio stations to Internet and other multimedia facilitated

- Number of radio stations connected to the Internet
- Number of radio stations receiving multimedia information

1.3. Enhanced local information is available on the Internet

- Number of web sites containing local information created (Target: 5 new sites/year)

1.4. Enhanced Internet usage in all regions of Mali

- Indicator TBD

IR 2: Partnerships in the Information and Communications Sector Established

- Number of partnerships facilitated (Target: 2/year)
- Value of commodity exchanges
- Survey of programming exchanges

2.1. Linkages facilitated between "ICT poor" local organizations, and ICT providers

- Number of meetings, round tables, conferences and other opportunities provided (Target: 3/year)

2.2. Means for overcoming obstacles to electronic micro-enterprise and trade introduced

- Number of technical assistance sessions provided

IR 3: Regulatory & Policy Constraints To Info Access Reduced

- Number of policy and regulatory changes resulting in improved and more affordable services

3.1. Market-responsive telecommunication policies and regulations supported

- Issuance of a policy on the use of radio frequencies
- Issuance of policies on the technical aspects of the Internet
- Number of technical assistance sessions provided

Risks:

- High cost limits availability of technology
- GRM no longer authorizes private radio stations
- Cybercafés and/or Internet Service Providers go out of business
- IT private-sector firms unwilling to form partnerships

