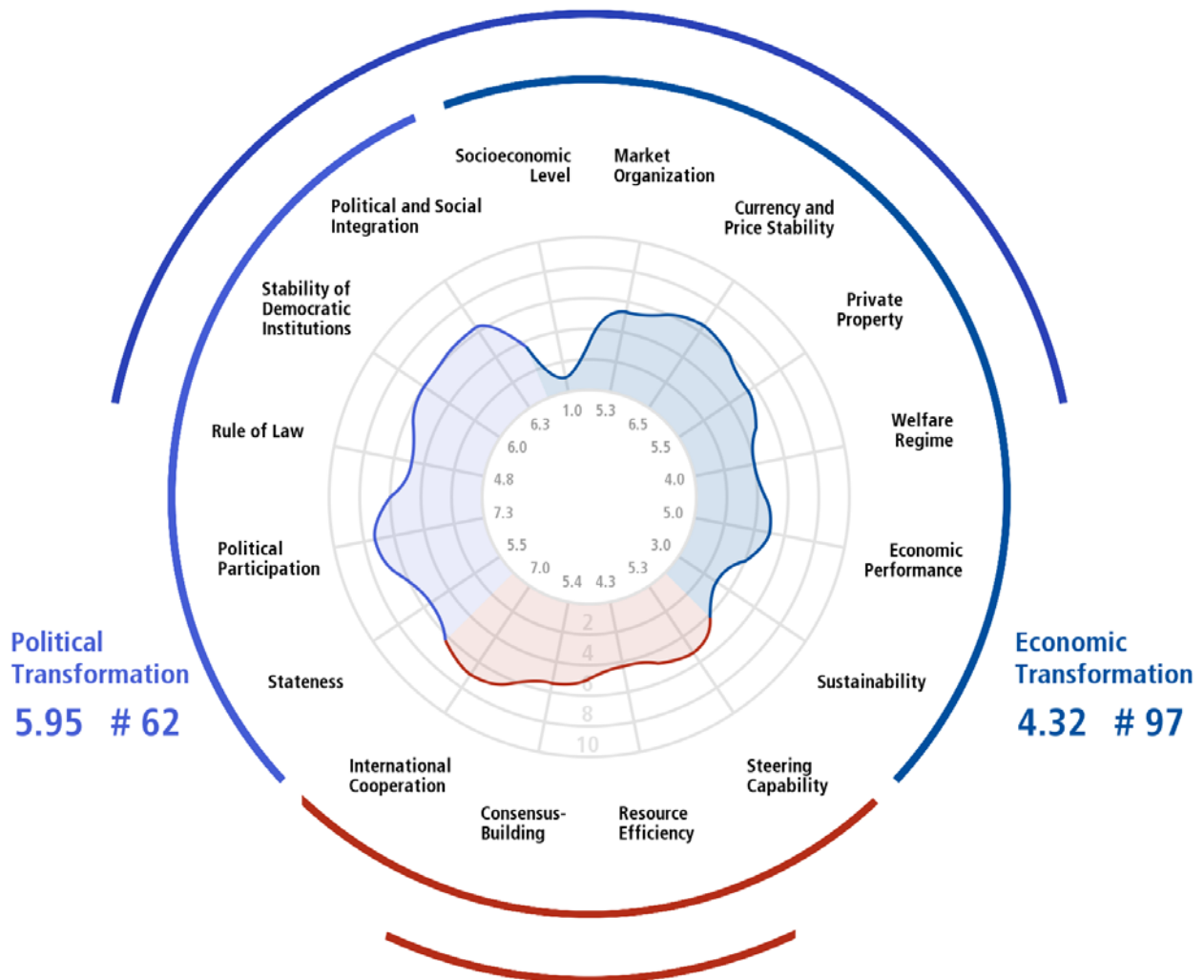


Mali

Status Index

5.14 # 76

on 1-10 scale out of 129



Political Transformation
5.95 # 62

Economic Transformation
4.32 # 97

Governance Index

5.17 # 57

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2018 Country Report – Mali. Gütersloh: Bertelsmann Stiftung, 2018.

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Strasse 256
33111 Gütersloh
Germany

Sabine Donner

Phone +49 5241 81 81501
sabine.donner@bertelsmann-stiftung.de

Hauke Hartmann

Phone +49 5241 81 81389
hauke.hartmann@bertelsmann-stiftung.de

Robert Schwarz

Phone +49 5241 81 81402
robert.schwarz@bertelsmann-stiftung.de

Sabine Steinkamp

Phone +49 5241 81 81507
sabine.steinkamp@bertelsmann-stiftung.de

Key Indicators

| | | | | | | |
|--------------------------|--------|------|--------------------------------|-------|----------------------|--------|
| Population | M | 18.0 | HDI | 0.442 | GDP p.c., PPP \$ | 2117 |
| Pop. growth ¹ | % p.a. | 3.0 | HDI rank of 188 | 175 | Gini Index | 33.0 |
| Life expectancy | years | 57.5 | UN Education Index | 0.346 | Poverty ³ | % 79.0 |
| Urban population | % | 40.7 | Gender inequality ² | 0.689 | Aid per capita \$ | 68.7 |

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

During the period under review, Mali underwent little progress with regards to political, security and socioeconomic advances. Difficult peace negotiations resulted in the signing of an agreement of peace and reconciliation in mid-2015. Implementation of the agreement remains extremely difficult and a deteriorating security situation has undermined the ongoing peace process throughout the country. In particular increasing insecurity, violent attacks by terrorist and other armed groups, as well as the emergence of new terrorist and self-defense groups in Mali's central region of Mopti have clearly demonstrated President Ibrahim Boubacar Keita (IBK)'s dependence on foreign military aid to tackle the various threats inside Mali's territory against state, regional and local authorities. Efforts on the part of Mali and its partners in the fight against terrorism and insecurity could not prevent domestic terrorist threats from spilling over the country's borders, as clearly shown by the attacks in 2016 in neighboring Burkina Faso and Côte d'Ivoire. Bloody clashes have occurred in Mopti between herders and farmers, especially Fulani herders, who are also now linked with militia and terrorist groups, such as MUJAO and the Macina Liberation Front. The state, plagued by corruption and discredited by acts of brutality the security forces have committed, is struggling to retain its ability to mediate among all sides.

In 2015 to 2017, the Malian president has shown weaknesses in governance. Governance is still characterized by "consensus" politics, despite the fact that Mali has a real opposition in the parliament. Mali's political party and civil society systems are weak. Although vibrant and diverse, civil society maintains strong links to political parties. Reformist Islamic currents try to influence politics countering no obvious resistance.

One of the poorest countries in the world according to World Bank indicators, Mali faces grave socioeconomic difficulties. With a high demographic growth of 3% per year, Mali struggles with a high unemployment rate, especially among the young population, and has not yet been able to increase secondary and tertiary education opportunities for all in order to further equality. Work in the informal sector, as well as a high rate of remittances from migrants are among the backbones

of Mali's economy. The country's economic outlook is favorable with overall growth forecast at 5.2% in 2016 and 5% in 2017, driven partly by more public investments and foreign aid, and by the agricultural and service sectors. The humanitarian situation remains a concern in the north, especially for the 2.5 million internally displaced people, refugees and other people depending on humanitarian aid.

However, Mali's favorable economic outlook is subject to substantial and persistent risks, among which the most critical are the potential collapse of the peace agreement and the resurgence of conflict throughout the country, a recurrence in lapses in governance, climate shocks and any further decline in world gold or cotton prices – Mali's two major exports.

History and Characteristics of Transformation

Mali's transformation toward a market-based economy began in the 1980s under military dictator Moussa Traoré and the one-party regime Democratic Union of the Malian People (UDPM). Traoré cooperated with the IMF to liberalize the economy, secure foreign investment for industrialization and infrastructure development. However, as the balance of trade deteriorated, the UDPM bureaucracy remained insulated from the impoverishment suffered by most Malians, especially northern communities. In the early 1990s, declining living conditions fueled escalating protests against the military-political-economic elite. Popular resistance against austerity policies grew. Increasing internal rivalries among UDPM leaders weakened the regime. Traoré was overthrown by pro-democratic organizations, civil society, student unions, et cetera, collaborating with democratic military elements led by General Amadou Toumani Touré (ATT). ATT led the military interim government, and then stepped down to make way for free presidential elections. Mali's constitutional National Conference of 1992 entrenched a strongly participatory transition to multiparty democracy. During his two-term presidency (1992-2007), Alpha Oumar Konaré pursued economic and political reforms. He negotiated a strategic approach to end the second Tuareg rebellion (1992-1996). He initiated a nationwide decentralization process intended to grant northern regions some autonomy. Konaré also dismantled state-owned enterprises (e.g., in electricity, water, textiles and telecommunications), deregulating price-incentivized increased production, particularly in the agricultural sector. Development of Mali's extractive sector was fostered by opening the mining sector to foreign investment, establishing commercial courts and simplifying administrative procedures related to foreign investment.

In 2002, Konaré's successor ATT returned as the popular hero of the democratic transition, thus strengthening Mali's democratic procedures and enhanced its international reputation. ATT was re-elected in 2007 and continued to implement economic and political reforms. Under the IMF's Highly Indebted Poor Countries (HIPC) Initiative and Mali's 2002 Poverty Reduction Strategy Paper (PRSP), Mali received debt relief to invest primarily in education and health. Some initial positive results in education contrasted with its lack of improvement in health sector indicators. Thus, Mali's political success contrasted with a failure to introduce inclusive economic growth.

With fundamental structural constraints hindering medium-term socioeconomic development, ATT's government's once high popularity continued to decline.

From 2003 on, al-Qaeda in the Islamic Maghreb (AQIM) operated on Malian territory and through the Sahel-Sahara zone, trafficking drugs, arms and people. In 2011, weapons and fighters from the former al-Qadhafi Libyan army entered Mali unhindered and supplied another Tuareg rebellion (January 2012). Soon after the Bamako coup d'état on March 22, 2012, that toppled ATT – itself a reaction to the rebellion – two-thirds of Mali's territory was occupied by the National Movement for the Liberation of Azawad (MNLA) and its Islamist allies (Ansar Dine, AQIM, Movement for Unity and Jihad in West Africa). These Islamist groups captured the rebellion and introduced some provisions of Shariah law in northern Mali. Interim President Dioncounda Traoré asked for a French military intervention, in conjunction with Chadian and other international forces, to support the Malian army against the insurgent groups. France and Chad's rapid deployment, followed by deployment of the African-led International Support Mission in Mali (AFISMA), recaptured key northern cities from Islamist fighters. A peace deal and elections in 2013 reinstalled a democratically elected government. French and other international troops then ceded operations to the U.N. Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), to support the Malian army. Donors and partners renewed pledges to help retrain the Malian army and to rebuild Mali. In 2014 progress toward political normalcy and stability faced worsening government relations and occasional clashes with Tuareg separatists broke out again. Intensive mediation between the government and the Tuareg separatists and loyalist armed groups ended with signing a final peace agreement in May-June 2015. The deal, negotiated under the auspices of the United Nations and Algeria, called for the creation of regional elected bodies, but stopped short of establishing federalism in northern Mali, which was the main demand of the rebels. Although the agreement marked an important step, there was little progress on the disarmament of the various groups in the region, including multiple Islamist militant factions that were not involved in the peace process. Borders between the Malian army and loyalist or rebel fighters were not established until the beginning of 2016. The interim authorities anticipated at the regional and local levels have, so far, not been installed. The 2016 local elections were highly contested and violence made polling impossible in many municipalities in the north and the central regions (Kidal, Menaka, Taoudeni, Gao, Timbouctou and Mopti). Insecurity and limited access continued to hinder efforts to provide basic services and ensure respect for the rule of law in northern Mali. New forms of violence, and a new terrorist group, the Macina Liberation Front, affected Mali's Mopti Region, where state authority has partially vanished. The attacks in Bamako (at La Terrasse Restaurant in March 2015, Radisson Blu Hotel in November 2015, the headquarters of the EU Training Mission (EUTM) in March 2016) brought the terrorist threat to Mali's capital. A wider regionalization of terrorist acts from Mali's territory took place with the 2016 attacks in Burkina Faso and Côte d'Ivoire. The biggest terrorist attack so far in Gao (January 2017) on the newly created Coordinated Operation Mechanism, in which the Malian military and soldiers from the loyalist and the separatist Tuareg groups are to undertake mixed patrols in the northern region, once again slowed down the fragile peace process.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

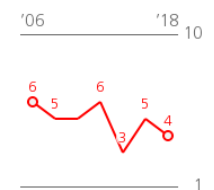
During the review period, the French-led military intervention, together with its African partners, pushed back the rebel and Jihadist groups occupying Mali's north. However, ongoing tension in the Kidal region and in Mali's central regions of Mopti have prevented the Malian state from regaining its full monopoly on the use of force. The year 2016 was marked by an increase in threats: Kidal has become a no-man's land over which the conglomeration of separatist groups, the Coordination of Azawad Movements (CMA) still has control. In 2016, the pro-government militia group GATIA and the Tuareg rebels from the CMA started fighting for control over Kidal city. Reinforced Jihadist groups and bandits use violence to spread terror and fear in the North and the center of Mali. The Mopti region has, throughout 2016, become a "lost" region, which has affected the neighboring Segou region. In September 2016, jihadists occupied Boni county without resistance. The Malian forces are not able to defend their territory on their own. Foreign military forces from the Barkhane military operation and the U.N. Stabilization Mission MINUSMA have helped Malians push back the fighters. For now, the Malian state has not regained control over its "lost" territories. A mid-January kamikaze attack in Gao against the mixed patrols of the pro-government platform group and CMA rebel groups has again weakened joint efforts to gain control over the northern parts of Mali. The installation of the interim authorities, one of the 2015 Peace Agreement requirements, was not achieved until mid-December 2016. These authorities are tasked with ensuring the presence of a local administration in areas where no administration has been present.

Overall, the success of building a modern national identity among the people of the historical Mandé and Peulh Kingdoms and the Songhai Empire is evident for the majority of Malian citizens who acknowledge the nation-state. However, persistent failures to integrate some of the remote populations (e.g., Tuareg communities in the northeast) have continued to threaten nation-building since independence.

Question
Score

Monopoly on the
use of force

4



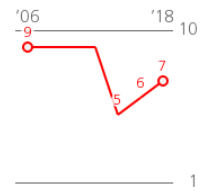
State identity

7

The 2012 Tuareg uprising raised the question of the nation-state in a different way, given the fact that the Tuareg National Movement for the Liberation of Azawad (MNLA) had proclaimed the separation of the Azawad area from Malian territory. The peace agreement, signed in May to June 2015 by the Malian government, the loyalist fighters from the Platform alliance and the rebelling Coordination of Movements of Azawad (CMA), states clearly that Azawad only has a cultural dimension in Mali (i.e., not a political one). By signing the peace agreement, the Tuareg separatists accepted the concept of Azawad. Nevertheless, the peace agreement provides greater autonomy to the sparsely populated northern regions of Mali without them comprising a federal state. With regards to citizenship, in Mali all individuals and groups enjoy the right to acquire citizenship without discrimination. No groups, including northerners such as the Tuareg, are denied citizenship.

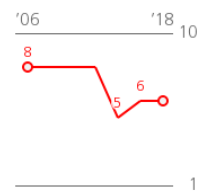
According to its constitution, Mali is a secular state. Political parties with a religious orientation or built on religious foundations are prohibited by law. Islam in Mali has historically been moderate and pluralistic and coexisted with other belief systems, such as animism (African Traditional Religion, ATR) and Christianity.

Nevertheless, in recent years, a gap between the majority moderate, tolerant and peaceful Islam and the more radical Islamist orientations and a significant growth in the number of religious and traditional leaders with associations to Malian politics can be observed. Islamic leaders openly asked their religious supporters to vote for Ibrahim Boubacar Keita, who won the 2013 presidential elections. Islam seems to gain increasing influence on politics and political behavior. Two religious leaders in particular have an enormous influence on Mali's population and politicians: the president of the High Islamic Council, the Wahhabi Mahmoud Dicko, and the co-president of this council and spiritual leader of the Ansardine Association, Sufi M. Cherif Ousmane Madani Haidara (not to be confused with the Ansar Dine Terrorist Group, led by Iyad Ag Ghali). Both are able to gather hundreds and thousands of people. Both express political opinions and do not hesitate to let political leaders know of their abilities to impact political issues. Debates on the role of Islam and religion in public life in Mali are ongoing. Religious leaders also participate in Mali's peace and reconciliation process. In summer 2016, they unsuccessfully mediated between the pro-government Groupe autodéfense touareg Imghad et alliés (GATIA) militia and the MNLA belonging to the rebel CMA in order to unblock the impasse in Kidal. The High Islamic Council president seems to be linked to terrorist groups in Mali, especially to Ag Ghali's Ansar Dine. At the end of October 2016, Dicko published a letter from Ag Ghali in which the latter stated he would negotiate with the Malian government to end violence.



No interference of religious dogmas

6

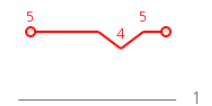


It is clear that an established formal administrative structure is a lasting achievement of Mali's democratization and decentralization process. However, administrative performance is highly uneven across the country. Whereas the central administration is relatively powerful, local administrations remain weak due to the lack of insufficient implementation of devolution plans, including human and financial resources and capacities, to regional and municipal administrations. During the 2012 crisis government employees fled the regions affected by the crisis. Basic services fell into the hands of village leaders (particularly in northern Mali). The nationwide impact of the hold on foreign aid and curtailment of government services were clearly felt in these communities. Throughout the review period, the presence of state administration remains limited. Thus, access to drinking water and basic social and health services remain limited as well. Although the peace agreement mentions the quick employment of interim authorities in communities at the local level in order to ensure temporarily basic social services, deployment took more than a year. Following marred local elections in November 2016 and because of the CMA's boycott of the peace process, interim authorities were not installed until January 2017. The interim authorities will assume the local executive until a democratically elected local government can take over office. The newly created regions of Taoudeni and Menaka in the north are not yet functional. Although governors were appointed by the Malian government beginning in 2016, division into local collectivities has not yet been performed. As a result, apart from Menaka City, neither region participated in the 2016 local elections.

Basic
administration

5

'06 '18 10



2 | Political Participation

According to the 1992 constitution, the president is elected by popular vote and can serve up to two five-year terms. The president appoints the prime minister. Members of the 171-seat unicameral National Assembly serve five-year terms.

Free and fair
elections

7

The last general elections were held in 2013, shortly after an international coalition pushed back the Islamist and other rebels from the northern part of the country they had previously occupied.

'06 '18 10



In 2013, Ibrahim Boubacar Keita (IBK) won the presidential election. Legislative elections in 2013 were also won by a pro-IBK coalition. Independent domestic and international observation missions characterized them as free and fair.

In November 2016, long-overdue local elections took place. The elections were deemed free and fair. However, they suffered from some shortcomings. Although there was a quite level playing field (also in terms of media access), problems with voters' registrations and the delivery of voting cards led to a degree of confusion. In some northern parts of the country, the activity of Islamist rebels hindered the electoral process.

The elections were highly contested by the opposition and a peace agreement signatory, the armed-rebel coordination group CMA, due to the security situation. The CMA boycotted the elections because the central government had not installed the interim authorities, which was a precondition for holding elections outlined in the 2015 peace agreement. Only 688 out of 703 municipalities participated in the local elections. In 15 municipalities in the northern regions (Kidal, Gao and Menaka) no list of candidates was submitted. Insecurity prevented elections from being held securely in Douentza and several other municipalities (Kidal, Gao, Timbouctou and Mopti). Electoral material was burned. In Segou Region one candidate was abducted. Jihadist and other armed groups hindered electoral campaigns by threatening candidates and burning posters. In addition, military personnel were killed while transporting polling boxes on election day.

Since the 2013 elections, political representatives have had considerable power to govern. The influence of the military on Malian politics that occurred in the period that followed the 2012 coup d'état has stopped due to presidential and parliamentary elections. Nonetheless, the influence of Islamic actors on politics and legislation remains. For example, the High Islamic Council contributed to blocking the enacting of the family code. Two extremely influential imams, Mahmoud Dicko and Cherif Haidara, supported IBK during the 2013 presidential election. The High Islamic Council president, a Wahhabi, also declared that Islamic religion and politics cannot be separated. Nonetheless, the question of secularism in Mali is often raised. As for external actors, their influence can sometimes have an impact on the power to govern. In 2014, the World Bank pushed Mali's government to fire the ministers of defense, finance and investment, who were all involved in a corruption scandal.

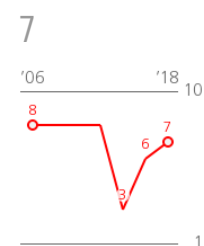
Mali's constitution guarantees the rights of association and assembly, which are detailed in the 2005 Law on the Creation and Management of Associations.

In general, there are no constraints regarding the delivery of permits for authorization to assemble. Associations in Mali are, generally, free to manage their activities and express their opinions. However, the 2012 crisis led to some restrictions, especially in northern Mali. In the north, authorities seem not to restrict demonstrations anymore.

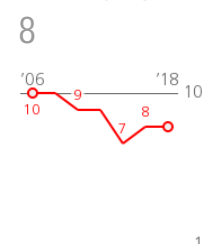
Many non-governmental organizations operate in Mali without state interference. However, observers have noted the prominent role of large, established NGOs with ties to the political elite. These can overshadow smaller and more innovative groups, particularly in the competition for funding. An ongoing lack of security in some parts of the country also limit NGO activities.

In the northern region of Gao, the state authorities at times have limited the right to assembly. On several occasions Gao inhabitants organized demonstrations after they were denied authorization to demonstrate. Protests followed at which several people were injured or killed. Since then, Gao authorities no longer object to demonstrations.

Effective power to govern



Association / assembly rights



The constitution provides for freedom of speech and the press, but, according to international observers such as the U.S. Department of State, the government has occasionally restricted those rights.

Mali's media landscape has developed over the past 20 years. In the 1990s, the expression of political opinion, although through the media, was promoted by the state. Today, Mali can count around 200 political parties, 400 free radio stations, 120 newspapers and several thousand associations. News websites are popular with the educated elite. However, Internet access remains limited.

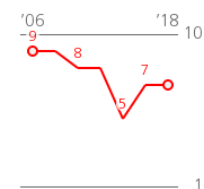
Mali's media was considered among the freest media in Africa before the 2012 crisis. Whereas the southern part of Mali has a considerably open media environment, the northern part of the country still experiences some restrictions. In connection with the crisis in the north, a number of illegal detainments and torture by the military and Islamist militants were reported. Although overall conditions for the media have improved since then, reporting on the situation in the north remains dangerous. In August 2015, an Islamist militant group threatened foreign journalists working in the region. In the south, the media is relatively free and open, with sporadic reports of censorship. In March 2015, a print journal was prevented from printing two critical articles about a minister and the president's son, a deputy in the National Assembly. Self-censorship is a reality. In 2015, a journalist was prevented by media colleagues from publishing documented information about a case of people in the government over-invoicing a purchase. In today's media landscape, despite the variety and openness overall, there is almost no investigative journalism.

3 | Rule of Law

The separation of powers is enshrined in Mali's constitution. The National Assembly checks on governmental activities and deliberates on draft laws, but only to a certain extent. For instance, Malian deputies who belong to the presidential majority tend not to question the decisions made by the government and they approve draft laws without assessing their long-term impacts. In September 2016, a new electoral code was adopted, but the initial attempt to implement it caused major legal problems for state authorities. Conflicts of interest and cases of nepotism exist in the legislature and the executive. President IBK's son is the head of the National Assembly Security and Defense Commission, and his son's father-in-law is the president of the National Assembly. There is also a high degree of "complicity" between the political parties that constitute the presidential majority and the government, due to the fact that several party leaders were appointed as ministers in the government (which is not allowed in presidential systems like that in the US). Moreover, President Keita has built a large coalition of deputies in the National Assembly. This coalition is the so-called presidential majority. It mirrors former President ATT's consensus politics, which consisted of appointing opposition leaders as ministers and top-ranking officials in the government.

Freedom of expression

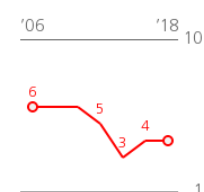
7



1

Separation of powers

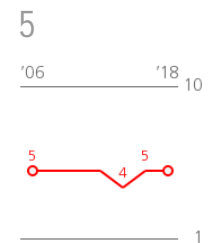
4



1

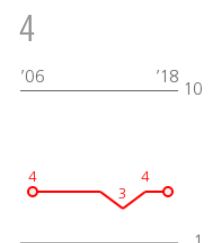
Although the 1992 constitution guarantees the independence of the judiciary, the executive branch has considerable influence on it. This is due to the structuring of Mali's judiciary (Supreme Court, High Council of Magistracy, Constitutional Court). For instance, the president heads the Higher Council of the Magistracy, the body that supervises judicial authorities, while the minister of justice appoints judges and oversees law enforcement. This reduces the credibility and impartiality of the judiciary, as well as its ability to address major internal problems. While a number of judicial officials try to do their job well and to reform the system from within, the Malian judicial system is highly corrupt. Attempts by the Ministry of Justice to prosecute some well-known corruption cases met with only limited success. The judiciary system does not cover the whole territory of Mali. There are about 630 judges and 334 lawyers for a population of 15 million inhabitants. Most of them are based in Bamako. Thus, access to justice is difficult for those in rural areas to obtain. The lack of training opportunities and resources, and the existence of corruption, contribute to undermining the judiciary. When it comes to fighting against corruption, judges are not totally free to work on certain cases. In January 2017 the Malian Autonomous Union of Magistrates and the Free Union of Magistrates went on strike and demanded that the High Council of the Magistracy be enshrined in the constitution. They argued that this would better secure the independence of the judiciary and compel the government to allocate adequate resources to the judiciary.

Independent judiciary



In everyday life, civil servants demand and accept small bribes. This generates resentment and distrust among the public, inflates the costs of services provided, and impacts political stability. High-ranking bureaucrats receive substantial bribes from organized crime networks, so they will overlook illegal activities or preserve such networks from being prosecuted. Since 2003, the auditor general has been a key factor in reforming public administration procedures through the corrective measures he has recommended. Some of these are yet to be carried out. Efforts to strengthen the auditor general's abilities to document financial irregularities continue. The number of his staff (main office and regional offices) has increased in recent years. It is still true that office abuse is rarely sanctioned. However, abuses at least attract adverse publicity.

Prosecution of office abuse



President Keita declared 2014 “the year of the fight against corruption.” It turned out to be a year of debacles because a new presidential airplane and new equipment for the army were purchased at artificially inflated prices, according to many printed sources. The auditor general's 2013 and 2014 reports, which were published in 2015, named the businesses and the names of the persons implicated in these corruption cases. However, in 2016, no report was published by the auditor general.

The 1992 constitution includes such provisions as freedom of speech, press, assembly, association, and religion, which, generally, are respected. Mali has ratified all U.N. Human Rights treaties and regional treaties (exception: the International Covenant on Civil and Political Rights' Second Optional Protocol that pertains to the

Civil rights

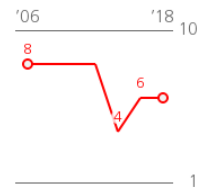
6

abolition of the death penalty) and the Statute of Rome that pertains to the International Criminal Court.

The constitution generally bans discrimination on the basis of gender, religion or ethnicity and these provisions are generally respected. However, women are legally disadvantaged partially and there is societal discrimination against some ethnic groups that are practically held as slaves.

The status of human rights in Mali has worsened in recent years, due to increased levels of violence and insecurity. Terrorist attacks and violence progressively spread from the north into several southern regions and Bamako, Mali's capital city. Human rights violations include murders, torture, severe mistreatment and other abuses. Little effort has been made by Malian authorities to investigate and hold accountable the people who are implicated in these brutal violations. Insecurity negatively affects the delivery of basic health care and education.

Trials are public, and defendants have the right to an attorney of their choice. In dealing with criminal cases, court-appointed attorneys are available to indigent defendants. However, the judicial system suffers from a large backlog in processing cases, and this leads to long periods of pretrial detention. More than 80% of legal disputes in rural areas are resolved outside the formal legal system. The literacy rate is low. Thus, the level of awareness is low as are efforts to access basic legal information. Neglect and mismanagement within the judiciary have resulted in such major problems as insufficient staffing and logistical constraints. These hindered efforts to address such issues as impunity, violations of the right to due process and vigilante justice. In March 2016, two children were suspected of having planted an explosive device near a police station in Gao; they were beaten to death by a mob. In 2015, the residents of the Timbouctou, Gao and Kidal Regions had better access to legal services. Several local courthouses and jails were renovated. Prosecutors, judges and judicial police officers, who had left during the armed conflict, returned to their posts. Their ability to conduct investigations outside the major towns was limited by the precarious security situation. Some had to abandon their posts again when terrorist groups started to attack people in central Mali. There is a mechanism that the state has put in place to manage the non-execution of judicial decisions. It is the "Espace d'interpellation démocratique" (EID), which is presided over by a jury of citizens and human rights defenders from Mali and elsewhere. This is a forum where people can denounce openly any abuses they have endured from state bureaucrats, as in cases where they do not comply with decisions rendered by the courts. In general, the forum calls on the ministers and other public authorities to take immediate action, and this approach seems to work effectively. It puts pressure publicly on the government, ensures a follow-up of decisions to be carried out, and submits a series of recommendations about preserving the rights of Malian citizens.

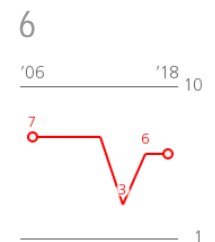


4 | Stability of Democratic Institutions

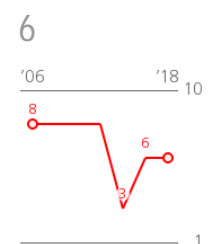
The 2013 presidential and parliamentary elections signaled the return to democracy and the re-establishment of Mali's democratic institutions. They started to function again at national, regional and local levels. However, many regional and local institutions still lack adequate personnel and do not perform well. This is especially true in the northern regions of the country. When the violent attacks and occupation occurred in 2012, most local administration and school personnel fled the north. The absence of state authorities meant that basic social services were no longer provided to communities. The governors of Kidal, Taoudeni and Menaka relocated to Gao, and attempted to carry out their duties from there and elsewhere. The peace agreement references certain interim regional and local authorities delivering basic services over a maximum period of 24 months. In 2016, local elections led to installing new administrators in many communities. However, this has not happened in many parts of the northern regions, due to frequent setbacks in implementing the peace agreement. Mali's democratic institutions are characterized by uneven performance. Sometimes, their tasks are not clearly defined and this can create confusion. For instance, the Ministry of Justice and the Ministry of Reconciliation had overlapping roles regarding the mission of the Truth and Reconciliation Commission. This created some leadership and management problems at times. Moreover, the reshuffling of the cabinet (four times since 2013) and the fact that many ministers either changed positions or were simply dismissed has limited the effectiveness of state institutions and agencies.

All the key players in the south are committed to keeping democratic institutions in place. They are all in favor of democracy and reject authoritarian rule. Thus, the separatist and Islamist insurgencies are exceptions in Mali's history, and the 2013 elections helped prove this point. Indeed, these elections were deemed credible by most observers, and the leaders of the separatist Movement for the Liberation of Azawad (MNLA) have never seriously questioned the principles of democracy. They rejected the legitimacy of the central state institutions, and claimed that their state of Azawad would better reflect and be much more responsive to the needs and aspirations of the communities in Mali's northern regions. It is true that local elections have been postponed four times since 2014, but the government did go to great lengths to hold them finally in November 2016 in order to promote the principles of democratic governance.

Performance of democratic institutions



Commitment to democratic institutions



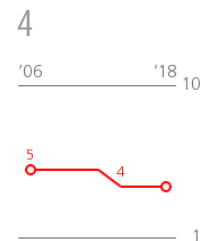
5 | Political and Social Integration

In Mali, political parties are extremely weak. Unlike the case in many African countries, Malian parties are not organized along ethnic lines. Party agendas are tailored to the ambitions of particular individuals; they are rarely programmatic. Candidates regularly shift their allegiance from one party to the next. All political parties have the legal right to campaign, but they are confronted by major constraints like low levels of funding and the inability to organize their members and mobilize voters. There is also a great deal of personalism and thus clientelism in Mali's political parties.

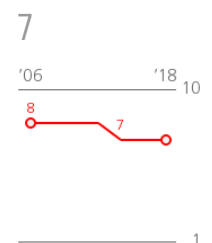
Former President ATT capitalized upon the notion of consensus-building and created a unity discourse that stifled the creation of real opposition. Debates between candidates for the presidency and legislature are televised, and all parties receive free broadcast time prior to elections. Currently, only 19 out of 185 registered parties are represented in the National Assembly. However, for the first time in Malian political history, a significant opposition group exists in the National Assembly, fulfilling the traditional role of democratic political opposition. It holds the government to account and often proposes policy and governance alternatives. There is a tendency to build coalitions in “blocks” that seem to preserve some degree of stability. However, this tendency contributes to reinforcing the position of the presidential majority, and the notion of consensus politics. The high number of parties has done little to link state and society. While more established parties, such as the Alliance for Democracy in Mali (ADEMA) and the Rally for Mali (RPM) party garner broad support in general, they do not represent well-structured social groups. The coalitions built around the larger parties and represented in the National Assembly do not address popular discontent with the prevailing deficit of democratic participation and the poor performance of political representatives.

Mali's elaborate networks of mutual support, cooperation, and interest aggregation encompass economic (trade, agriculture, hunting), ethnic (community of Lebanese origin, Chinese, Peulh) and social (Islamic, NGOs, education) activities, ranging from the local community to the national level. In response to the coup d'état by the junta (2012), interest groups proliferated and realigned themselves as they strive for greater influence or access to positions in the post-transition government (2013) and during the peace and reconciliation process (2014). Among these interest groups, the most prominent is the Coordination des organisations des patriotes du Mali (COPAM). It includes political parties, civil society organizations, and trade unions that have come together to back President Keita and his Rally for Mali party since the appointment of a re-shuffled “consensus government” in 2015. Beyond this, the Collective of Citizens born in Northern Mali (COREN), has positioned itself as an interface between the Malian government and the National Movement for the Liberation of Azawad (MNLA).

Party system



Interest groups



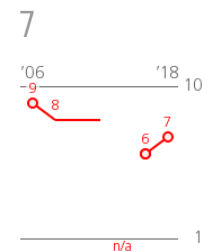
According to an Afrobarometer survey in 2014, 75% of Malians prefer democracy to other forms of government. They also reject – by huge margins – authoritarian rule in the form of presidential dictatorship (86%) and single-party rule (84%). Military rule is rejected by 64%, which is a lower value than for the average African country (and possibly reflects the need for security by many Malians).

Malians approve of democracy, but are dissatisfied with the democratic system they have. In 2014, only 44% thought that Mali was a full democracy (though things may have improved since then). The problem correlates mainly to the issue of rule of law, which is discussed elsewhere: Malians may agree that a “strong state” is desirable, but they have divergent views regarding what purposes a strong state serves, and what norms ought to frame its operation.

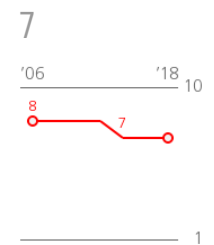
Notwithstanding Malians’ high levels of mutual trust and their ability to self-organize, particularly among the rural population (73% of the total population), building trust within networks and across social divides must still be deepened along a broadly north-south axis. Indeed, extended family networks are the most important social reference points for mutual self-help. Such traditions produce strong bonding social capital as well as preferential treatment between family members in public administration (clientelism, corruption). Moreover, the extensive network of civil society organizations (NGOs, associations) across the country – often with international donor support – provide both welfare services beyond family networks and substitute for the state’s role (particularly in rural areas) as well as provide income through “small enterprises” to individuals or small groups. High levels of self-help remain a persistent legacy of ineffective integration of rural areas into Mali’s socioeconomic development. During the political crisis and since then, many community leaders are involved in organizing basic public services.

In Mali diverging interests are balanced through a dominant political culture of consensus. Also, a system of so-called “joking cousins” relationships (‘sinankunya’ in the Bamanankan language) cuts across many of the various ethnic groups. Both consensus and “joking cousins” elements make social conflicts relatively opaque (conflict often disappears behind a “veil of consensus”) to foreign observers. Finally, and somewhat contrary to the “convergence” elements above, is the deeply rooted culture of public protests. Among the legacies of Mali’s democratization process that date back to the early 1990s is the ability of different key players (interest groups, community associations, and other non-state stakeholders) to organize street protests, to air their views and grievances against the government in Bamako, the vestiges of the 2012 crisis, and the ongoing fighting in northern Mali. Indeed, in 2016, about 200 people (mainly women and children) occupied the Kidal Airport to protest airstrikes by the United Nations, in apparent support of the MNLA.

Approval of democracy



Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

According to the latest (2015) UNDP Human Development Index (HDI), Mali is among the poorest countries in the world, ranking at 179 out of 188 countries (2013: 176/187). Its HDI (0.42) is low. There are substantial inequalities.

The population of Mali is estimated at 17.6 million. (World Bank (WB) 2015). With an annual growth rate of 3%, it is estimated that this population will almost double by 2030. Life expectancy at birth is 55 years. According to World Bank (2015) statistics, 58.2% of the Malian population lives in multidimensional poverty; 77.7% lives on less than \$3.10 a day (2009) and 50.6% on less than \$1.25 a day. Poverty is much more prevalent in the rural areas than in the urban ones and income distribution is highly uneven in both rural and urban areas. Although no recent data for the Gini Index is available – in 2009 it was a rather low 33.0 – the Gender Inequality Index of 0.677 indicated substantial marginalization of women.

Even though Malians face such major structural obstacles, informal economic activities and the widespread practice of subsistence farming provide better living conditions than econometric statistics might suggest.

The quality of formal education is low. It is estimated that 84% of the population have access to primary education, 45% to secondary education, and only 7% to higher education. One-third of the population is able to read and write (literacy rate according to WB 2015: 33.6%; see also equal opportunity). The gap between male and female literacy rates (WB 2015: male – 56.3% and female – 39%) reflects broader gender inequality. The quality of schooling outside the cities is extremely poor. In the northern areas many schools are still not open, especially in Kidal Region.

Migration and migrants' remittances have a huge development impact on migrants' families, leading to increased incomes, poverty reduction, and improved health and educational outcomes (11% of GDP). These factors contribute to the socioeconomic development of the country.

Adding to the impacts of recent droughts, warfare and displacement (in the northern regions of Mali), agricultural production is also highly vulnerable to weather conditions. Food security remains one of Mali's major problems. The humanitarian situation remains worrisome, especially for the 2.5 million people who depend on humanitarian aid, such as the internally displaced (62,000) and refugees (approximately 140,000). However, these difficult conditions did not stop some

Question
Score

Socioeconomic
barriers

1

'06 '18 10



400,000 displaced people and refugees from returning home. Humanitarian groups have drafted a \$354 million plan for 2016 to help the most vulnerable.

| Economic indicators | | 2013 | 2014 | 2015 | 2016 |
|---------------------------|----------|---------|---------|---------|----------------|
| GDP | \$ M | 12813.2 | 14004.1 | 12746.7 | 14045.1 |
| GDP growth | % | 2.3 | 7.0 | 6.0 | 5.3 |
| Inflation (CPI) | % | -0.6 | 0.9 | 1.4 | - |
| Unemployment | % | 7.3 | 8.2 | 8.1 | 8.1 |
| Foreign direct investment | % of GDP | 2.4 | 1.0 | 2.2 | 0.9 |
| Export growth | % | 2.5 | 1.1 | 4.7 | 4.7 |
| Import growth | % | 5.9 | 5.5 | 5.7 | 3.5 |
| Current account balance | \$ M | -374.7 | -675.8 | - | - |
| Public debt | % of GDP | 26.4 | 27.3 | 30.7 | 35.9 |
| External debt | \$ M | 3445.7 | 3456.3 | 3688.7 | 3787.9 |
| Total debt service | \$ M | 101.9 | 99.1 | 106.1 | 122.3 |
| Net lending/borrowing | % of GDP | -1.2 | -1.2 | -2.7 | - |
| Tax revenue | % of GDP | 13.5 | 13.0 | 14.5 | - |
| Government consumption | % of GDP | 17.2 | 16.7 | 16.6 | 16.5 |
| Public education spending | % of GDP | 3.4 | 3.7 | - | - |
| Public health spending | % of GDP | 1.1 | 1.6 | - | - |
| R&D expenditure | % of GDP | - | - | - | - |
| Military expenditure | % of GDP | 1.2 | 1.6 | 2.4 | 2.6 |

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Mali's institutional framework for market competition remains weak, despite the fact that Mali's ranking in the latest World Bank report on the ease of doing business has improved (from 146 to 141 out of 189 countries).

In the Heritage Foundation's 2017 Index of Economic Freedom Mali ranks 102nd out of some 180 countries and regionally ranks 12th. The Heritage Foundation cites a number of improvements and "some significant reforms" in terms of diversification, poverty alleviation, tax administration and privatization, but sees the need for change in other areas, such as curbing corruption and attracting foreign investment.

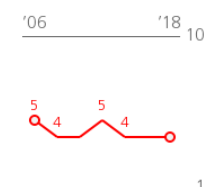
Conditions have improved when it comes to starting a business, obtaining construction permits, registering property and resolving insolvency disputes. However, these improvements have little bearing on the large informal economy, which is centered around commercial activities. The retail and trade activities that occur in the streets and markets of numerous villages and towns are not reflected in official statistics. Furthermore, the recent security problems have made Mali less attractive to (foreign) investors.

In general, Mali's industrial sector is not developed enough for monopoly politics to be a concern. Monopolies exist at the state level. There are rules and regulations (anti-monopoly law) that prohibit monopolies and oligopolies, but corruption severely curtails their implementation. Thus, price-fixing oligarchies exist in many economic sectors, such as in grain trading and rice production (Office du Niger). Furthermore, the degree to which foreign rather than domestic interests are perceived as benefiting from impunity taints the opinion and degree of trust of the population, regarding the privatization of formerly nationalized industries (e.g., railroad Transrail). The large and vibrant informal sector helps keep retail prices competitive, but the "modern" retail distribution sector is small.

Mali is a member of the West African Economic and Monetary Union (WAEMU or UEMOA) and the Economic Community of West African States (ECOWAS or CEDEAO). Through the Common External Tariff (CET) of WAEMU and ECOWAS, Mali levies an average tariff of 12.1% (2014). However, Mali also uses the option given to each ECOWAS country to apply additional taxes to certain products, including spirits, livestock and mining products (even those from the WAEMU-zone). Mali also imposes a special import duty on sugar from non-WAEMU states. While Mali does not subsidize exports, enterprises that export products may enjoy tax concessions. However, government officials often extort unauthorized "fees" during cross-border transport activities, and some individual companies take part in large-scale fraud in import licenses. To improve its export strategy, Mali is currently establishing an Export Promotion Agency for Malian firms. There is no stock exchange in Mali; the only Malian enterprise listed on the

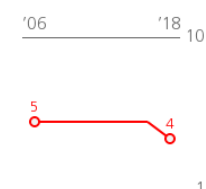
Market-based competition

4



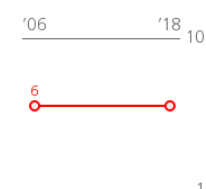
Anti-monopoly policy

4



Liberalization of foreign trade

6



Bourse Régionale des Valeurs Mobilières (BRVM), based in Abidjan, is the Bank of Africa (since 2016).

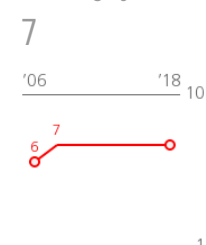
Mali has been a WTO member since 1995. Along with the other Cotton Four countries (Benin, Burkina Faso, and Chad), Mali continues to seek the abolishment of subsidies for cotton exports (WTO Consultative Framework Mechanism on Cotton, November 2014). Mali enjoys the Group of African, Caribbean and Pacific (ACP) countries' privileges under the Cotonou Agreement. In its ongoing negotiations for an economic partnership agreement with the European Union, Mali is represented by ECOWAS and WAEMU.

The institutional foundations for a banking system exist, but they are vulnerable to extreme dependence on external factors. There are 13 commercial banks operating in Mali. Although the degree of foreign ownership of banks remains low, Mali's second-largest bank, Banque International du Mali (BIM) was purchased by the Moroccan group Attijariwafa Bank. This is part of a strategy to develop closer trade, financial and economic ties with Morocco, but also with Egypt and Tunisia (African Economic Outlook – Mali 2014). During the 2012 crisis, all the banks in the three northern regions shut down. However, the banking system has been stable since early 2013. Mali's membership in the West African Economic and Monetary Union (WAEMU) and the supervision exercised by the independent Central African Banking Commission (COBAC/BCAO) contribute to maintaining financial stability. Malian banks have achieved the minimum capital requirement (IMF 2014). The financial system has sufficient liquidity, but Malian banks lack resources for long-term financing. In May 2011, the government created a fund (FGSP) to guarantee the private sector activities and two- to seven-year loans for banks to lend to small and medium-sized enterprises. A capital-stock investment company (SICR) was also created to buy shares in some companies. However, the banking sector generally contributes little to fueling the economy. Access rates to bank and financial services remain very low (due to a lack of sufficient guarantees of loans, especially to the average person).

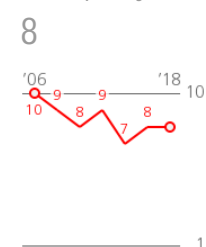
8 | Currency and Price Stability

As a member of the African Financial Community (Communauté Financière d'Afrique, CFA), which is guaranteed by the French Treasury, Mali's monetary policy decisions are made by the Banque Centrale des États de l'Afrique de L'Ouest (BCEAO), and the CFA franc is pegged to the euro. There are rising tendencies in West Africa to create a new currency. Notwithstanding the impact of the political crisis on the economy and, thus, inflation, a return to relative political stability since elections in 2013 has allowed economic growth with moderate inflation to resume. Agricultural production, highly dependent on rain-fed crops has the greatest influence on inflation. From revised data, estimates and projections, inflation is at 1.4% (World Bank, 2015).

Banking system



Anti-inflation / forex policy



After disrupted donor cooperation due to the political crisis in 2012, Mali is returning to a stable macroeconomic framework, founded on robust cooperation with the IMF, World Bank and other international donors. The IMF reinstated funding flows in December 2014 to help Mali address the ongoing political and military crisis in the north.

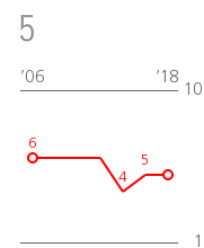
Highly financed by external lenders, Mali's public debt was 30.9% of GDP in 2015. External debt in 2014 totaled \$3,413.3 million. The debt service share of exported goods and services was at \$87.4 million in 2014. The cash deficit is -1.2% of GDP in 2014. Thanks to continued debt management under the IMF's Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI), Mali's risk of excess debt remains moderate (IMF and World Bank 2013), notwithstanding that the overall budget deficit increased to an unusually high 5.5% of GDP in 2014, primarily the result of regularizing off-budget military spending over current and future budgets.

9 | Private Property

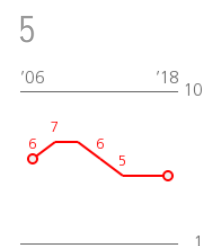
In principle, Malian property rights are well defined and regulated. The Centre Malien de Promotion de la Propriété Industrielle (CEMAPI) implements the legal property rights protection regime for industrial property, including the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) treaties. As with other de jure versus de facto operations, widespread corruption within the Malian bureaucracy hampers implementation. Particularly in land rights, ubiquitous corruption increases transaction costs to seek legal title, which is further complicated by the fact that most land in Mali is not allotted for. On the ease of registering property, Mali ranks 133rd out of 189 countries. Of broader economic and political transformation interest are divergent concepts of property and customary access rights, particularly between nomads and the settled population, which reflect alternative, non-state sites of social regulation, which is conflict-prone in rural areas. Moreover, because it is hard to get reliable data on the scope of foreign land acquisition in Mali, there is persistent and growing popular concern as well as accusation voiced by Malian civil society actors (e.g., Coalition des Alternatives Africaines Dette et Développement, CAD-Mali) that the government is supporting "land grabbing" by foreign investors.

Overall, private enterprises have little significance in the economic system; most Malian private companies are small and employ few staff. Insufficient infrastructure and corruption are the main barriers private companies face. Stability is likely to help materialize the objectives of the 2011 Investment Code and 2009 National Investment Promotion Agency (Agence nationale pour la promotion des investissements); i.e., to promote private business activities and expedite administrative procedures. The Banque de l'Habitat du Mali (BHM) has merged with the Banque Malienne de la

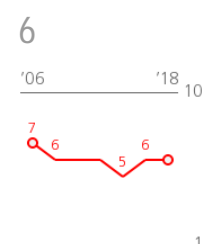
Macrostability



Property rights



Private enterprise



Solidarité in 2016. Thus, while the situation returns gradually to normal and the difficulties in convincing private investors to buy state-owned enterprises persist, Malian authorities are assessing the possible risks and political costs associated with further privatizations.

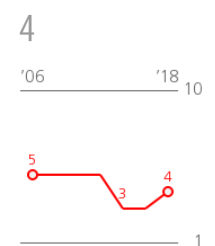
10 | Welfare Regime

The state's weak capacity and small revenues limits its measures to foster economic inclusion or provide compensation for exclusion. Insufficient health care and social infrastructure impact large segments of society, with almost no effective capital-funded schemes to guarantee welfare. The Malian state is not able to systematically combat poverty on its own. However, the government has started reforming the civil service pension fund in order to reduce its operational deficit. The existing health insurance (Assurance Maladie Obligatoire – AMO) was highly contested at first, but is a great success now. Mali consistently allocates 7.1% of GDP (World Bank Report 2015) to health spending. Yet, there is only a slight improvement in basic welfare indicators (e.g., HDI). Mali has made efforts to raise the civil services salaries under the current IBK regime (gradually up to 20%)

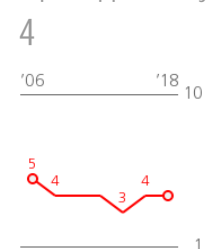
The political crisis, its legacies, and persistent insecurity in the north have greatly weakened the country's social infrastructure. Efforts to improve cereal production and basic food self-sufficiency have not always paid off. Thus, a large part of the Malian population relies on the mutual self-help systems that the extended family provides. They also take advantage (particularly in rural areas) of the extensive network of civil society organizations (NGOs, associations), often with international donor support. As with aspects of the informal economy that elude accurate measurement, the safety nets afforded by Malians to members of their networks (extended family, faith community) are deeply rooted and, if not robust enough to reduce poverty, work to keep many persons from life-threatening scarcity. Indeed, this widespread solidarity (commensurate with bonding more than bridging social capital) mitigates otherwise acute – and violence prone – inequality and cleavages of socioeconomic status. As insecurity persists at the community level, informal welfare provision capacities will be curtailed, exposing more of the most vulnerable Malians to greater risks.

Multiple barriers hamper equal opportunity in Mali. Prospects for economic success and access to influence and decision-making authority depend on personal connections in which social differences are very significant. Malian women are not afforded the same opportunities as men. Structural inequality between men and women is legally anchored in the widely contested family law (Code de la Famille), a barometer of popular resistance to legal mechanisms to enhance gender equality. The gap between female and male literacy rates (2015: 22.2% and 45.1%, respectively; the overall literacy rate is only 33.6%) is but one indicator of gendered

Social safety nets



Equal opportunity



inequality and matches the gender gap in formal labor force participation (38.6% of women to 67% of men) and school enrollment rates, which gap increases the higher the level of education (primary: 0.9; secondary: 0.8; and tertiary: 0.4). Given the broader context of Islamic resurgence in Mali, widely accessed state-regulated Islamic schools (*médersas*) offer little or uneven access to francophone state functions and opportunities. Different education paths produce unequal opportunities. There are also disparities between rural and urban schools. Qualified teachers are deployed to urban schools, while unqualified teachers are generally found in poor, rural areas.

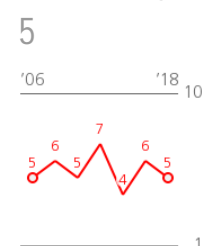
However, women's engagement in the informal economy, most often selling at markets, is substantial. Women's high level of informal economic and civil society engagement (as well as their presence in leading bureaucracy positions) is not reflected by a presence in administration and government. In 2016, however, the government adopted a law requiring that 30% of candidates for elections must be women. And in government, the number of female ministers has increased (seven ministers in January 2017).

During the 2012 Islamist insurgency in northern Mali, women's rights were substantially curtailed. The crisis also highlighted the fact that persons considered to be of "slave origin" have been denied opportunities due to unjust and illegal discrimination.

11 | Economic Performance

Economic activity slowed down in 2015, with real GDP increasing at an estimated 5.2% (5.8% in 2014), due to poor agricultural sector performance (growth of only 3.9%, down from 14.8% in 2014). The secondary sector fared badly too, with a growth rate of 2.6% (9.2% in 2014). In agro-industry, which consists overwhelmingly of plant oil mills, growth fell to 18% (down from 35% in 2014) because of poor agricultural output, especially of cotton. However, growth strengthened in the tertiary (services) sector (6.9%, up from 3.6% in 2014). The current account deficit (including grants) improved to 3.6% of GDP (from 5.7% in 2014) due to lower oil prices and a greater volume of gold exports, raising the terms of trade to 15.2% (up from 5.3% in 2014). The current account deficit is expected to be entirely funded by foreign direct investment (FDI) in gold and telecommunications and by foreign loans. Medium-term macroeconomic prospects are good, with overall growth forecast at 5.2% in 2016 and 5.0% in 2017, driven partly by more public investment and foreign aid and by the agricultural and service sectors. But the current account deficit (including grants) is expected to widen to 4.1% of GDP in 2016 and 5.2% in 2017, due to lower gold production and poorer terms of trade. The deficit should again be funded by FDI in gold and telecommunications and by foreign loans. The good prospects could be undermined by continuing risks, such as the security situation, unpredictable gold and cotton prices and bad rainfall.

Output strength



Mali has made progress in recent years toward the Millennium Development Goals (MDG) with regards to universal primary education (Goal 2), combating HIV/AIDS (Goal 6) and access to safe drinking water (Goal 7, Target 10). The security crisis has set back this progress but it should be advanced with implementation of the 2015-30 U.N. Sustainable Development Goals of which the country is also a signatory. (Source: African Economic Outlook 2016)

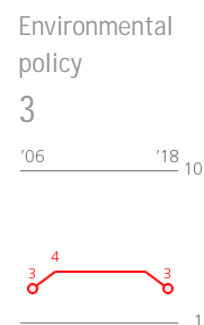
High unemployment impacts especially the younger population, the highest share of the overall population. Poor economic growth rates and unsuitable job training combine with a high population growth rate to exacerbate unemployment. The unemployment rate has slightly decreased (from 8.8% in 2004/2005 to 7.3% in 2014), while the employment-to-population ratio has increased from 48% to 60.6% (HDI Report 2015).

The humanitarian situation remains a concern in the north, especially for the 2.5 million people dependent on humanitarian aid, internally displaced people (62,000) and refugees (140,000). These difficult conditions did not stop 423,427 refugees and displaced people from returning to the region. Humanitarian groups have drafted a \$354 million plan for 2016 to help the most vulnerable. (Source: African Economic Outlook 2016)

12 | Sustainability

Mali's huge environmental challenges (desertification, loss of biodiversity and water pollution) stem from vulnerability to the effects of climate change. Efforts to date have rated poorly; Mali slipped from 156th (2010) to 174th (2016) out of 178 countries in total, according to the Environmental Performance Index (EPI). Mali's only marked improvements in EPI indicators over the past ten years have occurred in the sectors of Water and Sanitation and Health and Agriculture. Otherwise its standing has decreased.

Mali's institutional framework for environmental protection has existed since the 1990s. The 1992 constitution (Article 15) mentions the right to a healthy environment and the mission of the state to provide it. In 1998 the government established a comprehensive legal framework, the National Environmental Protection Policy (Politique Nationale de Protection de l'Environnement, PNPE). Notwithstanding these efforts, environmental problems have not yet been adequately addressed. A national Environment and Sustainability Agency (Agence Nationale de l'Environnement et du Développement Durable) was created. It facilitates Mali's continued participation as a pilot country in the Climate Investment Funds' Scaling Up Renewable Energy Program in Low Income Countries (SREP) program. However, given the lingering impacts of the 2012 crisis, environmental protection has been slow to return as a priority on the government's agenda. Nevertheless, grassroots efforts, rooted in local know-how and cultural heritage about natural



resource management, are a basis from which communities interact with national and international partners, especially on water and forestry issues. They negotiate the optimal balance of formal and informal rules and practices that shape how natural resources are owned, used, and managed.

The recurring impact of low rainfall on agricultural production affects economic performance and food security. The impacts of climate change, desertification and drought are also relevant factors to be considered in regional and global policy contexts in which Mali has limited influence or no membership.

The lack of relevant training opportunities and employment is a major impediment to the rapid socioeconomic development of the country. Both domestic authorities and foreign donors consider education a high priority, but poor data collection and use plague the effective design and implementation of successful policies. Mali's literacy rate is 33.6% (but lower for women) and remains one of the lowest in the world. More than a third of young Malians (aged 15 to 24) are literate (39%). Of all children 77.2% are enrolled in elementary schools, and 43.5% attend secondary school. A very tiny portion (7%) manage to gain access to tertiary education. These figures show a slight improvement, but there are grave concerns over the quality of education. On average, there is one teacher for 41 pupils. This ratio may differ from urban to rural areas. According to the U.N. Education index, Mali ranks 176 out of 187 countries, with a score of 0.305. Government spending in the education sector was 4.8% of GDP in 2014 according to the World Bank's HDI. To date, educational policies have improved input indicators. The spreading and popularity of state-regulated Islamic schools (médersas, funded partially by Arab states) contributed greatly to this change. Furthermore, the narrowing gender gap in primary enrollment is a notable success, with 88.4% as many girls as boys enrolled (World Development Indicators 2014). However, ensuring that students regularly attend school and take examinations remains a major challenge. Teachers and professors go regularly on strike for better work conditions. The investment in research and development is only 0.7% of GDP and among the lowest in the evaluated countries.

A lack of trained professionals exacerbates the situation: only 2% of the Malian population has a university degree. Thus, even improved inputs produce only moderate results, and output indicators remain extremely low. The absence of significant spending on research and development in Mali (1% of GDP in 2010, with a 30% decline in researchers per population 2006 to 2010) underlines important questions – beyond access, inputs and quality – about the relevance of educational outputs to the Malian and regional labor markets and economies.

Education policy /
R&D

3

'06 '18 10

3

1

Governance

I. Level of Difficulty

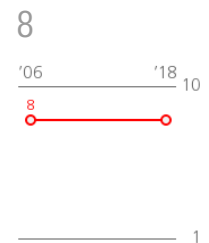
Mali is ranked as one of the 10 poorest countries in the world (179th out of 187 – HDI UNDP 2015). Several constraints hinder the effective governance of transformation in Mali. Mali is a landlocked country without direct access to overseas markets. Almost two-thirds of Mali belongs to the Sahel, which is subject to significant climate threats (especially the threat of insufficient rainfall during the growing season). Mali's economy is highly dependent on the agricultural sector. Thus, it is vulnerable to droughts and inundations that regularly affect the northern and eastern regions of the country, impacting a large portion of the national income. In recent years, moderately good harvests made Mali rely more on food and oil imports. The post-transition period shows the lingering effects of the 2012 crisis, particularly in the form of general insecurity from multidimensional fighting (July 2014 to the present) in the Kidal, Gao and Mopti Regions.

Mali also faces a striking rural-urban socioeconomic gap. It tends to segregate the more prosperous urban areas from the poorer rural regions, where the majority of the population lives. Socioeconomic development is constrained by extreme poverty – 50.4% of the population lives on less than \$1.25 per day and 78.1% lives on less than \$2 per day (2015 World Bank) – as well as by a comparatively small educated labor force and formal sector. Despite considerable funding, education remains poorly managed and notable progress is elusive.

International factors also impact Mali's economic and political governance. One of the most aid-dependent states in sub-Saharan Africa, Mali is negatively affected by rent-seeking and patron-clientelism logics. While the population struggle to hold its government accountable, powerful donors do so readily. International donors impose conditions or limit the scope of decisions made by the Malian state. Sometimes, they restrict the options available to the state or even overrule the decisions it makes.

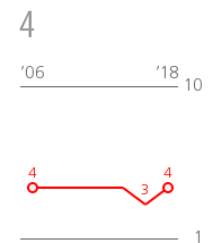
Mali's capacity for economic transformation is further limited by its very low degree of integration into the global economy. Indeed, international investors and companies dominate key sectors (gold extraction and telecommunications), and the huge profits they generate bypass the public financial systems. They contribute little to domestic development. Privatization of the state-owned cotton company has stalled under the current government. The large-scale sale of land prompted some resistance (and some international concern).

Structural
constraints



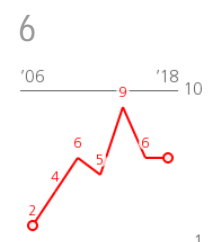
Mali's vibrant civil society organizations (CSOs) have helped strengthen pluralism since the democratic transition in the early 1990s. No longer controlled by the regime, organizations (e.g., of peasants, educators or women) that opposed the one-party system struggle to hold the elected regimes accountable. In the past twenty years, a kind of "NGO business" has flourished; it is incentivized by substantial funding from donor NGOs, agencies and countries. In 2008, 8,542 associations were registered, and 1,125 non-governmental organizations (NGOs) were registered in December 2009. However, many exist only on paper. It is estimated that 59% of all registered NGOs do not receive enough funding to function. Different CSOs engage in politics to varying degrees and in different ways. Specific interest groups such as women, students, or peasants are represented by large and medium-sized organizations. They engage in advocacy when it comes to certain issues like reconciliation, human rights violations, privatization or land grabbing. Service delivery NGOs run more on business principles and are usually apolitical. They are involved in the social sector (e.g., education and health). Since the recent armed conflict, new organizations have emerged. For example, COREN continues to stand as a vocal defender of the interests of the communities in northern Mali among other groups who also participate in the peace talks. Numerous small CSOs provide welfare services or help set up "small enterprises" in order to generate income outside family networks. These activities are important survival strategies, especially in the rural areas (and in the north of Mali) that are poorly integrated into the national economy. Malian civil society is dense (thousands of CSOs and NGOs), but many organizations have limited internal management and coordination capabilities. Religious organizations have flourished in the post-transition environment. Democracy has facilitated vibrant public debates about religion, and the prevalence of a multitude of religious associations among civil society organizations.

Civil society traditions



Mali is characterized by tolerance and a political culture of dialog. The intensity of the recent conflict is an exception to the rule. Hospitality ("jatigiya" in Bamanankan) is proudly emphasized in public discourse. The "joking cousins" (cousinage) relationships maintain strong ties between Mali's many ethnic groups and reinforce a political culture of consensus-building. Notwithstanding this deeply rooted culture of tolerance, dialog and social mediation, communal conflicts persist over access to resources (e.g., farmland, water, pasture, sites for artisanal gold mining). The education sector still suffers from a chronic structural crisis. The insecurity issues in the northern regions are not addressed fully. Social divides persist in the context of democratic pluralism, even though state institutions function again. This reflects the inability of the state to effectively maintain peace and order – by force as well as through consensus-building – and to significantly reduce crime-related violence outside the most populated areas and regions.

Conflict intensity



Indeed, the current multidimensional conflicts began in 2012 and led to a full-scale war in 2013. The problems associate with the fighting in 2014 persist to this day (2017). Partially, the threat comes from outside the country. Mali faces a severe

terrorist threat, and bloody attacks have occurred in almost all the regions of the country. Long-standing tensions between the more populous non-pastoralist ethnic groups and the Moor and Tuareg pastoralist groups in the north have fueled instability over the decades. In 2016, tensions between non-pastoralist (i.e., Bamanan) and nomadic groups (i.e., Peulh) led to violent conflicts and murders in the Mopti region. Some Peulh communities allied themselves with terrorist groups in order to benefit from their protection and stop the incursions of bandits who stole their livestock. Under normal circumstances, the Malian state would provide such protections. Tuareg rebels of the National Movement for the Liberation of Azawad (MNLA) and the pro-governmental GATIA Tuareg militia claim Kidal as their ancestral land. While the MNLA controls the town itself, GATIA occupies the surrounding areas. This situation results from a long-standing tribal conflict between the Tuareg clans of the Ifoghas and the Imghad, and it complicates the deployment of Mali's security forces in the region. Only the French Barkhane forces are currently fighting against terrorist groups in this part of Mali. Today, Ifoghas are represented by the MNLA and by Iyad Ag Ghali, the leader of the terrorist group Ansar Dine. However, the implementation of the peace agreement has yet to fully address the issue of terrorist attacks and local conflicts in the central region of the country. In December 2016, a group of Bellah, or so-called Black Tuareg who are enslaved by so-called White Tuareg protested against the fact that they were not appropriately included in the peace process. The Malian conflict is extremely complicated and multidimensional, and without international support and mediation, the Malian state has throughout 2016 shown little interest and capacities to pro-actively advance peace with the various stakeholders included in the process. In addition, foreign charitable organizations, among them Arab-speaking NGOs and Islamic preaching movements, have proliferated. In the absence of a functioning state, Middle Eastern NGOs have provided social and security services, thereby spreading their version of Islam across the northern regions of Mali. This spread of new ideologies that for the most part challenge the tradition of religious tolerance and Islamic syncretism that has been cherished by southern populations – added another layer of tension and misunderstanding to north-south relations in Mali.

II. Governance Performance

14 | Steering Capability

Mali thus returns to striving for democracy and a market economy. It does this while being more deeply dependent than ever on external support, which brings negotiations with external actors into every sphere of government priority-setting and implementation. The 2012 multidimensional crisis (security, political and institutional) deeply impacted the economic and social institutions of Mali. Today, the country is implementing its newly approved Strategic Framework for Economic Growth and Sustainable Development (CREDD 2016-2018) as a means to rebuild its economic foundations, especially in the agricultural sector. The CREDD is the reference policy for the implementation, monitoring and evaluation of development policies and strategies at national and local levels. The main objective of the CREDD is to promote sustainable development, accelerate poverty reduction, reduce inequality, increase resilience and consolidate peace across the country. The guidance and discipline of donors remains a contentious point, regularly reported in the national press, and likely to be further politicized by opposition politicians and some civil society actors. Nevertheless, Mali's government has not met the conditionalities required by external aid, which finances its budget. Faced with new challenges, the budget has been increasingly reduced since 2015.

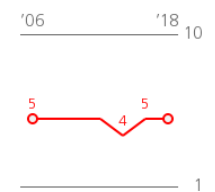
After the transitional government's poor performance, the current government is now set to move forward on and implement major policy priorities, in cooperation with international actors. With the perceived need for leaders who fosters consensus and collaboration to address the country's peace and security priorities, President Ibrahim Boubacar Keita and Prime Minister Modibo Keita are well-equipped to fulfill this role. However, while the embedded culture of political consensus and unity may strengthen determination and coherence among different departments and ministries, Mali's governmental capacity to implement policy measures, its dependence on aid and external policy discipline are compounded with internal clientelistic practices, even when not undermined by outright corruption. With ministerial shuffles in 2015 and 2016, and the third prime minister January 2015, it is hard to see how the Malian government will effectively maintain and achieve strategic priorities.

The fight against corruption in itself is an example of the failure to implement policies. As mentioned before, IBK called for a year of "a war against corruption," but that very year, many scandals in which government officials were involved came to the fore. Given the need for support from corrupt individuals, there is limited potential to curb corruption.

Question
Score

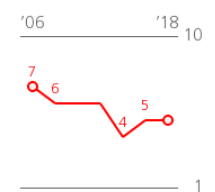
Prioritization

5



Implementation

5



The northern region, particularly Kidal, had not returned to normalcy as hoped, and the peace process is blocked by continuing fighting and insecurity in the northern regions and in Mopti.

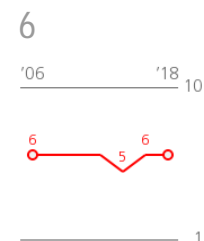
Lacunae in the organization of rushed elections in 2013 and 2016 show that the government learned little from evaluations by the administration, civil society groups and international donors throughout Mali's democratic period. For example, producing a complete and transparent voter registration system and the NINA electoral card remained a major challenge for the local elections in 2016. The underlying issues in the north show other missed learning opportunities. While civil-military reintegration programs remain convincing and appealing to donors, they ignore lessons from the disarmament and integration programs of the 1990s, particularly the risks associated with sidelining anti-nationalist self-defense militias. Beyond re-stabilizing social order and fostering sustainable socioeconomic development (so as to dissuade border populations from turning to criminal activities), learning has been slow with regard to working with non-separatist populations (who see the state as either disinterested in or opposed to their concerns).

Significant media freedom and largely functioning markets, particularly in informal sectors, as well as the urban culture of demonstrations combine to provide feedback for the government. These allow the government to assess the impact and popularity of its policies, and change its approach (or not). The debates regarding the privatization of Malian cotton company CMDT are an ongoing example of this, and further highlight Mali's adaptation to external pressure from donors, learning from previous negotiation processes and exhibiting growing self-confidence. However, elite rent-seeking from external funds and international investments in primary sector mega-projects disincentivizes tackling the root problems of corruption. Moreover, the political leadership appears unwilling to abandon a deeply internalized high dependence on foreign aid in favor of greater self-reliance. The scope of France's operation Barkhane in the Sahel as well as the deepening need for an ongoing MINUSMA presence signal the government's dependence on external support to reform military policy.

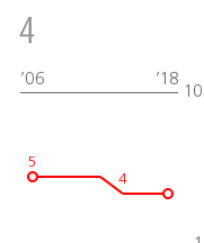
15 | Resource Efficiency

Mali's resource efficiency remains disappointing. The national bureaucracy has been enlarged (34 ministries in January 2017 compared to 30 in 2015) with five cabinets, the current government has not turned away from politically motivated dismissals and appointments nor from politically influenced recruiting procedures. The ongoing struggles with and work toward effective decentralization continues to be an issue, which is both highlighted and made more difficult by the ongoing violence related to the peace agreement's rebel signatory CMA's claims. Government employees often remain absent from their offices. Clarity in government and the public about this

Policy learning



Efficient use of assets



problem (and others) is growing thanks to the Auditor General (AG)'s improving and more visible work. With foreign and internal efforts to improve transparency, the AG's annual reports have triggered substantial public debate and have forced spotlighted ministries and offices to explain themselves in public. However, irregularities thus exposed have not been officially punished.

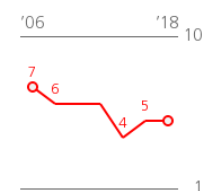
Steps to improve Mali's institutional framework are returning to the agenda in 2015 and 2016. The AG continued their work, even though the auditing process experienced setbacks, as many government documents were destroyed after the coup. The establishment of a Court of Auditors through a constitutional amendment has been put on the agenda of the commission for constitutional reform and signals the Malian government's commitment to improve structures of financial oversight. Of particular note in post-crisis transformation is linking spending systems at the central and local levels, to improve budget documentation and provide up-to-date information on budget execution. Cultivating professionalism among auditors, however, remains a long-term process.

With the struggles of the current government to find solid footing, and the as yet unresolved fighting in northern communities, four persistent legacies of poor policy coordination continue to trouble Malian politics. Competition for resources to redistribute among client networks, redundancies and tensions among the many government agencies hampers coordination. The increasing importance of support programs from China also threatens policy coherence in light of China's general disinterest in working within the OECD and multilateral organizations' norms and practices for development cooperation. Given Mali's gradual return to "donor darling" status among established donor-partners and the increasing importance of emerging donor-partners such as China, effective policy coordination will remain a complex challenge in Mali's policy environment. Indeed, the ongoing security issues are expanding the scope of relevant multilateral actors in policy formulation and implementation (e.g., G5 Sahel, African Union, ECOWAS and the United Nations). More directly donor-financed NGO activities further undermine policy coherence. A burgeoning "NGO industry" has emerged to pursue and access international financing, with the high number of uncoordinated and independent NGOs still ineffectively managed by a 2007 comprehensive reporting system to regulate NGO financing. The importance of non-state actors – whether in "civil" society and aligned with broadly liberal values or not – contributes both to supporting Mali's capacity and hampers coherent approaches to deploying that capacity.

High levels of corruption among the Malian political elite and bureaucrats have long fueled popular dissatisfaction with the democratic regime. Thus, fighting corruption continues to be on the agenda of the new government, which struggles to distinguish its promises to fight corruption from the former government's rhetorically strong commitment to fight corruption that showed limited success. The office of the Auditor General continues to investigate cases, with improved financial and

Policy
coordination

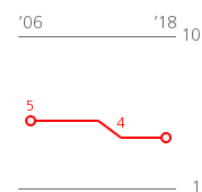
5



Anti-corruption
policy

4

organizational support; however, a lack of prosecutions by the Prosecutor General of cases provided by the Public Auditor is a regular complaint. People have also become increasingly impatient with corrupt practices, which have become an increasing risk in Malian society. For example, at the opening of the Sanogo legal process at the end of 2016, demonstrators shouted about the need for justice in light of the corruption the government committed in 2014 (purchase of airplane and army equipment). The government suffers massive financial losses, and is being “robbed, pure and simple,” yet there is only little and sporadic evidence of a willingness to act in the fight against corruption, and to effectively apply existing legislation and prosecution mechanisms. With the World Bank’s support, Mali will implement Government Action Plan (GAP) 2013-18 with a transparency code and law on illicit enrichment as well as a budget line to enshrine Mali’s Extractive Industry Transparency Initiative (EITI) activities, of which Mali is a member. Concerns about institutional quality and capacity to serve and protect citizens rest on rampant corruption, clientelism and rent-seeking behaviors at all levels of society. Regularly in public procurement, economic stakeholders are bribed in exchange for competitive public offers. These cases occasionally become public and pressure mounts for the guilty party to be punished. Money is siphoned off or redirected from donor funds and, without donors themselves tracking their funds vigilantly, such corruption is rarely punished.



16 | Consensus-Building

Less than coordinating coherent policies toward priorities, the government manages conflicting objectives into a livable “consensus,” and indeed trades on this capability to defend its record and its future policy agenda. Rhetorically, the main political actors in Bamako agree on deepening democratic peace as a mid-term and long-term goal. Among the non-state groups that occupied northern Mali in 2012, however, only the National Movement for the Liberation of Azawad explicitly declared its adherence to a democratic agenda, while rejecting the form of Mali’s democratically elected regime as one in which they did not recognize themselves or see their concerns addressed. The disagreements about parts of the implementation of the peace agreement and the role played by MINUSMA soldiers indicate the persistent divergences among Mali’s major political actors on the means of implementing democratic governance and sustainable peace; this can leave spaces for deep-cutting critique and searching questions about liberal politics and economics as well as attacks on the very foundations of the state thus constituted.



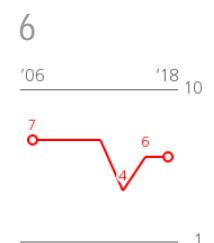
A qualified consensus on market economy principles is informed by a preference less for liberal market ideals than for economic democracy, in which the basic economic needs of all citizens are satisfied. While this does not directly challenge liberal norms, it offers a qualified convergence between reform-minded political actors and elites embedded in the social democratic tendencies of Mali’s political history. As the new government adjusts to the lingering insecurity and sets its sights on issues other than

peace negotiations, economic issues are gaining importance in political debates. Indeed, debate over economic principles among political actors, labor unions, and strong civil society associations have been characterized a vibrancy of public discourse and slowed certain liberalizing reforms. More vociferous opposition to liberalization unites trades unions with social movement elements that question and resist the privatization of major state-owned enterprises, which has indeed seen delays (e.g., the state cotton company). The deeply and widely held notion that the state has an important provider role is reflected in, for example, few Malians questioning the feasibility of the state planning key sectors of agricultural production, such as in the government's popular initiative to foster cereal production through subsidies.

While major political actors agree on the broad lines of a liberal democracy and market economy, minor yet still significant non-state groups are less well linked to state or donor funds, and are either less enthusiastic about the status quo forms of liberal democracy and market economy or are more radically alienated from notions of political and economic liberalism. In the Malian context, there is no automatic convergence or allegiance between different anti-reform actors and tendencies (e.g., anti-democratic non-state, anti-status quo civil society, anti-neoliberal civil society, anti-democratic actors, anti-family law, Islamic, faith-based welfare providers). Many groups draw supporters by saying that Mali's eroded democratic institutions house corrupt, self-serving elected representatives. As the excesses and abuses of the 2012 crisis either recede from memory or are relived in the ongoing insecurity (especially by vulnerable communities and social groups), the status quo experience of a corrupted democracy among many Malians risks increasing the appeal of not-necessarily-democratic means to restore the promise of the 1991 People's Revolution.

Anti-democratic actors can be found among the increasing number of Islamic activists. They, while committed to public deliberation and free media, still tend to oppose some principles of liberal democracy, such as equal rights for women. Thus, they accurately represent the majority view of Malian society, yet their fragmentation into small, weakly organized groups limits their power overall. In this context, the rise of fundamentalist opinions proposed by fundamentalist and Salafi groups imposing conservative interpretations of Islam upon the populus, is hardly contested. In this regard, the High Islamic Council president, a Wahhabi who tries to influence politics – and is connected to terrorist groups in Mali's northern regions – does not face much resistance from the government or opposition politicians.

Anti-democratic
actors

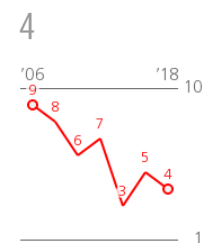


The so-called joking cousins relationships (Bamanan: *sènèkunya*) depolarize structural conflicts at the civil society level. However, when political leaders seek to establish as broad a consensus as possible through elite-driven patron-client relations, this has often merely moderated cleavage-based conflict, and only in the short-to-medium term, leaving little progress toward deeper resolution and leaving such cleavages conflict-prone.

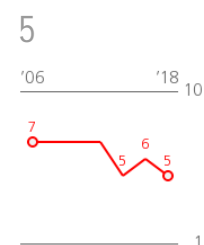
Indeed, existing cleavages have rather been aggravated and uncovered as legacies of the 2012 crisis. They include divides between marginalized northeast and central regions, tensions between the light-skinned Tuareg and Arab population and the black population of northern Mali, with modern-day slavery and human trafficking continuing issues. Also lacking sufficient progress is closing the socioeconomic gap between urban elites and the large poor rural population. Even though the transition-period arguments and conflicts have receded since the establishment of the current government, the nature and rebuilding of the Malian state nevertheless remains a charged issue. This exposes key social cleavages along class and regional lines, which are further complicated by ethnolinguistic identities. Over the last two years, a reduction in cleavages could hardly be observed; the country is socially and politically split as perhaps never before. The worsening security situation brings even more to light the cleavages between different ethnic groups in Mali's center. The government has so far, not proposed an approach for managing these problems. Instead of placing the problems on the table and gathering all factions of Malian society together in order to discuss probable solutions, Mali's government opts for the "smaller versions." For instance, there are polemics about the inclusiveness of the "comité d'entente" to be installed in 2017 to discuss national issues. During the peace process and reconciliation, civil society and political parties seek broad, inclusive participation of Malian society, whereas IBK intends to keep the circle of participants restricted, which, in times of peace- and nation-building should include the whole society. Otherwise the intended transformation risks failure.

Notwithstanding Mali's robust civil society space, which is richly structured with organizations, it is not consistently or effectively involved by the political leadership in decision-making, policy implementation or in the monitoring of government performance. Given the freedom and dynamism of the Malian press, one exception is the influence civil society actors have on agenda setting and deliberation and thus on the broadest lines of policy formulation. Indeed, Mali's dynamic CSOs and community-based activists continue to foreground the needs for military reform and discipline, and accountable governance, in light of the ongoing conflict and need for MINUSMA and France's Operation Barkhane. Nevertheless, issues thus discussed by citizens or even championed by civil society organizations are not necessarily taken onto the political agenda.

Cleavage /
conflict
management

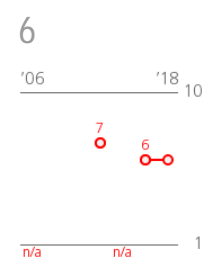


Civil society
participation



The commitment and capacity of Mali's political leadership, with its regional and international donor-partners, for reconciliation is significant, as evidenced by the large majority of the Malian National Assembly that voted in March 2014 to establish the Truth, Justice and Reconciliation Commission (CJRC). The CJRC has a three-year mandate to establish the truth about crimes committed in the north between 1960 and 2013 and to help building durable peace in Mali. Quasi-independent, while under the Ministry of Reconciliation, 15 commissioners were appointed at the beginning of 2015 and another ten in May 2015, due to tension created by the CMA. The CJRC finally embarked upon its mandate in January 2016 and is to complete its task in 2018. The commission elaborated its internal rules and procedures and developed a strategy. At the end of 2016, it opened regional offices and installed personnel. Hearings in the regions also started at that time. So far, because of the commission's lack of communication, victims have not felt compelled to tell the truth in front of the commissioners in charge. Indeed, the desire for peace and reconciliation is strong at the top of Mali's government. Daunting and complex, however, are the interconnected challenges of reconciling the victims and perpetrators of injustices arising from the rebellion, coup, insurgency, and ongoing fighting among state and non-state groups. Reconciliation between different groups at the regional and local level is a precondition for restoring social peace in Mali. But it is still too early to comment on the activities of the CJVR.

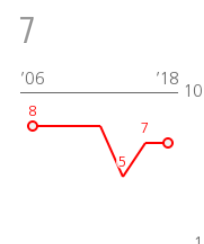
Reconciliation



17 | International Cooperation

Among the most aid-dependent states in sub-Saharan Africa, Mali cooperates closely with bilateral and multilateral international donors from the OECD-world. Based on 2012 OECD and World Bank figures, Mali's level of aid dependency per capita has roughly doubled from \$36 per person in 2000 to \$68.2 in 2015. Such steadily increasing support relied on the widely shared assumption that Mali was a success story of democratization and a strong commitment to development: the "donor darling" narrative. If General Touré's later years in office had begun to tarnish that image, the 2012 coup ended a chapter in Mali's "model aid recipient" story. After the 2013 elections, the largest OECD donors (the United States, World Bank, European Union, Canada and France) reinstated their aid – among them \$722 million of the total OECD donor official development assistance (ODA) of \$1 billion. In November 2014, the World Bank approved a further \$63 million in grants and credits for the First Recovery and Governance Reform Support Operation, which supports the Mali Poverty Reduction Strategic Framework (CSRP-3) and the Government Action Plan (GAP) 2013-2018.

Effective use of support



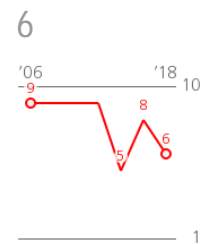
Expanding beyond the OECD, Mali has diversified its international cooperation. While Malian relations with China have progressively deepened throughout the last decade, the Arab Spring hindered further cooperation with North African regimes (such as Libya) on infrastructure and food security in the Niger delta. China's support

is largely made up of unconditional concessionary loans and infrastructure aid. After 2012, the effectiveness of international support has been more widely questioned, with donors now alerted by the crisis and its aftermath. Although donor evaluations show improved outcomes in specific sectors (e.g., education and health), the effectiveness of support has overall been limited. Elites' pervasive rent-seeking as well as policy implementation inconsistencies have become clearer in retrospect. The past donor practice of ignoring Mali's governance problems, and rewarding elites with more financial assistance and aid has come under increasing scrutiny. Donors acknowledge that their own uncoordinated policies limited aid effectiveness. Aid's record in removing the enduring structural barriers to equitable socioeconomic development and democratic consolidation remains poor. Although policy dialog continues to harmonize donor activities and align them with Malian policies, less-coordinated programs still work parallel to harmonized policies such as general and sectoral budget support. In all of this, the role of aid in the new government's mandate for a strong state risks reproducing excessive executive dominance and reinforcing rather than reducing the large and growing socioeconomic division between urban elites and the rest of Mali's largely rural population.

The good reputation Mali enjoyed as a reliable partner in international cooperation has been quickly rehabilitated since the 2013 elections. Thus, donors have responded with intensive cooperation and high levels of official development assistance. However, this reputation cannot return to the status quo seen pre-2012. Persistent suspicions, if not demonstrated cases of aid embezzlement, will not be as readily ignored by donors. Rebuilding donors' trust in Mali's capacity to reform toward a deeper democracy and market economy will take time, as President Ibrahim Boubacar Keita's government copes with persistent urgencies that distract from everything that is not about security and military cooperation. IBK has lost credibility with his insufficient political performance in fostering the peace process. With the advance of Mali's degraded security situation from its northern regions to the center and even into the south, international partners engaged in supporting Mali in the fight against terrorism have become more nervous vis-à-vis Mali's government. Mali's inactivity in fostering the peace agreement has not increased donors' trust in Mali's competencies and its will to reestablish peace and stability. Due to the persistent bloody attacks on MINUSMA blue helmets, the U.N. Security Council voted for a robust mandate in June 2016 in order to better protect its peacekeepers. Niger's President Issoufou, after attacks occurred in Mali's neighboring countries of Ivory Coast, Burkina Faso and Niger, urged Mali's president to intensify the fight against terrorism on Malian territory.

In the past, Mali also sent peacekeepers to join ECOWAS operations in Guinea, Liberia and Sierra Leone, which also contributed to the country's credibility at both a regional and international level.

Credibility

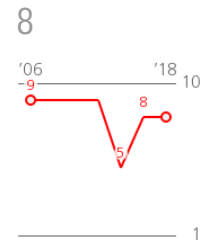


Mali cooperates with regional and international organizations as well as neighboring countries. It aims to promote peace and security as well as economic and sustainable development and prosperity. Indeed, just as Mali's former governments participated actively in international and regional initiatives and promoted regional integration, IBK was quick to reiterate these same commitments when he thanked ECOWAS members for responding to Mali's needs. In receiving assistance from this regional body, Mali benefited from a return on previous investments. Malian soldiers had served among ECOWAS forces during the crises in Liberia, Sierra Leone and Guinea, for instance. Indeed, the temporary suspension and then reinstating of Mali's African Union and ECOWAS memberships, the cooperation in the G5 Sahel (a new regional cooperation, for the moment focused only on security issues despite its broader mandate), and Algeria hosting peace negotiations are all part of an effective regionalism of which Mali has been a strong proponent.

According to observers, such as the Economist Intelligence Unit, the struggle against AQIM and other Islamists will strengthen Mali's relations with the U.S. and neighboring Sahelian countries as part of the U.S. Trans-Sahara Counterterrorism Partnership. Bilateral relations with neighboring countries are generally not tense. The Islamist attack in January 2016 in Burkina Faso and the assault in Côte d'Ivoire in March 2016 have led to increased security cooperation.

It is key that Mali continue to deepen such cooperation, both regionally and internationally.

Regional
cooperation



Strategic Outlook

Mali is yet to overcome the multidimensional crisis it endured in 2012. The country needs to address the root causes of the crisis and to consider the implications of the conflict. The current government must work hard at creating the necessary conditions for long-term security, democracy and productivity. It should combine short-, medium- and long-term measures (in both the military and civilian sectors) to address security problems, deepen democratic governance, accelerate equitable social and economic progress, and improve the impacts of international donor assistance.

With regard to security, the government needs to fight effectively against terrorism, organized crime and armed groups that undermine the state and democratic institutions in Mali. The government also needs to re-deploy its administrative branches and personnel all over the country in order to assert its authority, and to maintain security and peace. The question of Kidal must be fully addressed, so that peace and prosperity may take root in that region of Mali. Reforms of the security sector need to continue in order to adjust the functions of the military and security forces to adhere to democratic principles.

With regard to political and administrative governance, the government needs to improve prevailing conditions to foment greater accountability, transparency and efficiency on the part of the political and administrative authorities. In order to strengthen the democratic process, the political parties need to participate in the shaping of political decisions by leading vigorous, but constructive, debates. The rule of law needs to be strengthened through adapting the judiciary to meet current needs and ensuring its independence. Anti-corruption policies should be carried out and measures must be taken so that the populations start trusting the system again, and tensions vis-à-vis state authorities diminish. Moreover, it is important to make progress with regards to deepening the democratic process, given the context of continuing threats to national unity, the growing influence of Islamism in the political field, and the lack of opportunities for youth, women and other excluded groups.

With regard to peace and reconciliation, the government needs to be proactive and address urgently the current obstacles to the implementation of the peace agreement in a coherent manner. The peace and reconciliation process must be truly inclusive and take into account the viewpoints of political parties, civil society organizations and traditional and religious leaders. By the same token, the groups that have not signed the peace agreement yet should be taken into consideration in order to limit the risk of armed conflicts.

With regard to social welfare and economic growth, anti-corruption measures could help promote equity and sustainable socioeconomic development. It is necessary to diversify the economy, to simplify the tax system, and to provide a well-secured environment in order to attract greater number (foreign) investors. Besides, state authorities must think about ways to reduce the

country's high level of dependency on foreign aid, build a lasting welfare system, and make Mali's economy less vulnerable to security threats and other unexpected factors.

Stable security conditions are key to development and economic growth. For this reason, Mali needs to undertake major peace-building initiatives in order to reap the benefits of ongoing political and economic reforms. The country needs to consider new ways to make the technical assistance and aid flows it receives from foreign partners much more efficacious. This would contribute positively to accelerating Mali's political and socioeconomic development.