

**An Independent Review of World Bank Support to
Capacity Building in Africa:
The Case of Mali**

March 14, 2005

*Corporate Evaluation and Methods
Operations Evaluation Department*

Document of the World Bank

Contents

Acronyms	i
Executive Summary	ii
1. Introduction	1
Objectives	1
Methodology for the Mali Country Study	1
2. Country Context	2
General Environment	2
The Public Sector	3
3. The Bank’s Support for Capacity Building	7
The Bank’s Lending and Non-lending Support	7
Lending	7
Lending for Capacity Building	8
Economic and Sector Work	9
Country Views	9
Human Capacity.....	9
Organizational Capacity.....	10
Institutional Capacity	10
The Relevance of Bank’s Capacity Building Strategy Since 1993.....	11
Diagnosis and Design	11
Alignment	12
4. The Relevance and Effectiveness of the Bank’s Capacity Building Support	14
The Roads Sector	14
Public Financial Management.....	25
5. Conclusions	29
Annex A: References	31
Annex B: List of Documents	34
Annex C: Summary of Capacity Building Objectives, Successes and Failures	35
Annex D: List of Interviews	38

Tables

Table 2.1: Mali Education Indicators Compared to SSA	2
Table 2.2: Mali Health Statistics Compared to SSA.....	4
Table 3.1: Commitments for Capacity Building Components (US\$ million)	8
Table 4.1: Rate of Achievement of the PRODESS Targets	22

Boxes

Box 2.1: Challenges to Decentralization	3
Box 2.2: The Deterioration in the Public Sector Environment.....	5

Acronyms

ACBF	African Capacity Building Foundation
AFD	Agence Française de Développement
AR	Board of Directors of Road Authority (Autorité Routière)
CAS	Country Assistance Strategy
CBD	Community-Based Development
CDD	Community-Driven Development
CPMPRC	Code de Passation des Marchés Publics et les Règlements Connexes
DAF	Administrative and Financial Directorates
DNR	National Development of Highways (Direction Nationale des Routes)
ECOWAS	Economic Community of West African States
ESW	Economic and Sector Work
ETO	Employment and Training Observatory
HIPC	Heavily Indebted Poor Countries
ICR	Implementation Completion Report
INFET	Institut National de Formation de l'Équipement et des Transports
MTEF	Medium Term Expenditure Framework
OED	Operations Evaluation Department
PCU	Project Coordination Unit
PER	Public Expenditure Review
PRECAGED	Programme de Renforcement des Capacités Nationales pour une Gestion Stratégique du Développement
PDDSS	Plan Décennal de Développement Sanitaire et Social
PDS	Projet de Développement Sanitaire
PISE	Programme d'Investissement Sectoriel Education
PPM	Pharmacie Populaire du Mali
PRODESS	Programme de Développement Sanitaire et Social
PSPHR	Health, Population, and Rural Water project (Projet Santé, Population, et Hydraulique Rurale)
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
SSA	Sub-Saharan Africa
SWAp	Sector-wide approach
VTSF	Vocational Training Support Fund
WBI	World Bank Institute

Executive Summary

1. This study of Mali is one of six country case studies undertaken as part of an independent evaluation by the World Bank's Operations Evaluation Department (OED) of the relevance and effectiveness of Bank support for public sector capacity building in Sub-Saharan Africa (SSA) over the past ten years (1995-2004). In each case study, particular attention has been paid to the Bank's support for capacity building in four focal areas: education, health, roads and public expenditure management.
2. In the past decade, Mali has moved toward democratic rule and recorded higher economic growth than the SSA average. It has also registered reasonable improvement in its social indicators. Since the mid-1990s, the government has pursued a decentralization policy aimed at deepening the democratic process and accelerating poverty reduction through enhanced service delivery in rural areas.
3. During FY93-04, the World Bank committed a total of \$775.3 million to Mali, currently the 15th largest IDA borrower in Africa. Some \$160 million of investment lending has been committed in the four sectors examined in this review, of which \$54 million (33 percent) was allocated to capacity building activities. In addition, the Bank provided some \$180 million in adjustment/budget support of which about a quarter was aimed at capacity building objectives (as shown in Table 3.1 below). The Bank has also undertaken significant Economic and Sector Work (ESW) in Mali related to this review's four focal areas. Virtually all of this included some assessment of capacity needs. Additional support for capacity building has also been provided by the World Bank Institute (WBI) training courses and Bank-funded African Capacity Building Foundation (ACBF).
4. Overall, the relevance of Bank's support for capacity development in Mali is rated *moderately unsatisfactory*. This assessment reflects two main shortcomings. First, while capacity building efforts are pervasive in virtually all Bank interventions in the four focus sectors throughout the evaluation period, no strategy for capacity building was articulated as part of the Bank's country program. As a result, the support has overlooked systematic constraints and interrelations across operations. Second, the misdiagnoses of Mali's public sector weaknesses have undermined the Bank's support. Of the three dimensions of capacity examined in this evaluation—institutional, organizational and human resource capacity—institutional capacity weaknesses have been the least well assessed.
5. Judging by the achievement of its stated capacity building objectives in Mali since 1993, the effectiveness of the Banks' support is rated *moderately satisfactory*. Achievements have been greater in organizational strengthening than in human resource and institutional development. Yet, there are significant differences among sectors. The experience of the education and health sectors suggests that decentralization is a promising reform, with significant capacity building potential especially in the areas of institutional and human capacity development. In the roads sector, experience demonstrates the effectiveness of targeted and well-integrated capacity building measures in achieving privatization, more efficient sector management, and greater accountability. Overall, the performance of the Bank's support for capacity development in Mali has been *moderately satisfactory*.

1. Introduction

Objectives

1.1 This study of Mali is one of six country case studies undertaken as part of an independent evaluation by the World Bank's Operations Evaluation Department of the relevance and effectiveness of Bank support for public sector capacity building in Sub-Saharan Africa over the past ten years (1995-2004). In each case study, particular attention has been paid to the Bank's support for capacity building in four focal areas: education, health, roads, and public expenditure management.

Methodology for the Mali Country Study

1.2 The Mali study involved document reviews, interviews, and data analysis. The principal documents include: (i) Country Assistance Strategy (CAS) papers of 1995, 1998, and 2003; (ii) basic documents for eight projects undertaken in the four sectors over the past decade; (iii) project documents in related sectors such as the public sector reform; (iv) economic and sector work; and (v) materials prepared by government or other donors. A list of documents reviewed is found in Annexes A and B.

1.3 Interviews were conducted with representatives of the Government of Mali, non-governmental organizations, academic institutions, the World Bank, and other donor agencies active in Mali during a field mission from June 26 – July 10, 2004.¹ A list of individuals interviewed is found in Annex D.

1.4 The country study follows a framework that examines three dimensions of capacity building in the public sector: (i) institutional capacity, the framework of goals, incentives, rewards, and sanctions within which organizations, groups, and individuals operate; (ii) organizational capacity, groups of individuals bound together for a specific purpose, with objectives, internal mechanisms, procedures, and resources; and (iii) human capacity, people with the ability to analyze development needs, define objectives, design and implement strategies, policies, and programs, and raise resources to meet those needs and deliver services.

1.5 The Bank's approach to capacity development has traditionally focused on the latter two dimensions, and does not distinguish clearly between organizational and institutional capacity development (as discussed below in Section 3). The emphasis put on this distinction in this study is intended to shed light on the importance of the enabling environment—political, economic, and historical—in influencing the effectiveness of capacity building activities.

¹ This review and the field mission was carried out by Floribert Ngaruko.

2. Country Context

General Environment

2.1 Mali is a landlocked West African country of 1,204,000 square kilometers. It is covered about 60 percent by desert. Its population of 11.6 million is predominantly rural, and grows approximately 2.4 percent a year. Mali's economy is dominated by agriculture, which accounts for 47 percent of GDP, while industry and services account for 16 percent and 37 percent, respectively.

2.2 With a five percent average rate of economic growth between 1994 and 2002, Mali has achieved greater economic expansion than most of SSA. This has allowed for a GDP per capita growth rate of 2.5 percent per annum over the same years. But this economic growth is fragile and volatile—vulnerable to climatic conditions, fluctuating terms of trade, dependence on ports in neighboring countries, and the concentration of exports in three primary products (56 percent in gold, 27 percent in cotton, and 5 percent on livestock). Moreover, Mali remains one of the world's poorest countries with a GDP per capita amounting to some \$240.

2.3 There has been some, modest improvement in social welfare during the past decade. In education, primary school gross enrollment has increased from 25 percent in 1990 to some 70 percent in 2004. Both secondary and tertiary enrollment rates have also increased, but less substantially than the primary school rate and remain at low levels; and adult literacy has experienced almost no improvement, remaining at a level well below the SSA average. Health indicators have also shown some, but limited improvement. Notably, the infant mortality rate has declined, but remains considerably above the SSA average (See Table 2.1). These weak education and health indicators are suggestive of poor service delivery.

Table 2.1: Social Indicators: Mali and Sub-Saharan Africa

	1990		2001 (except as indicated)	
	Mali	SSA	Mali	SSA
GNP per capita (US\$)	270	540	230	500
Gross primary school enrollment (%)	26	76	70 ^a	78
Literacy (% 15+)	19	50	19 ^b	63
Infant mortality (per 1000)	140	100	122 ^c	91
Life expectancy	45	50	41 ^c	51

Source and Data Notes:

Mali social indicators were extracted from the SIMA database: <http://sima-ext.worldbank.org/query/>.

Data for SSA averages came from the Benin 2003 CAS, p. 3.

a. 2004 data

b. <http://sima.worldbank.org/edstats/>

c. 2002 data

2.4 Mali's political system underwent major changes in the 1990s. In 1991, a coup d'état overthrew a twenty-three year old military regime. Since then, presidential elections have been held regularly, the current multiparty government having come into office in May 2004.

2.5 The transition to democracy has been accompanied by the development of a decentralization policy aimed at achieving three goals: (i) deepening democracy through the enhancement of participation of citizens in decision-making at local level; (ii) improving the relationship between the state and society; and (iii) enhancing poverty reduction through decentralized service delivery. Decentralization is now a constitutional obligation and it is meant to form the policy framework in which other public sector reforms are being designed. But the decentralization process faces serious challenges, which reflect persistent, underlying weaknesses in Mali's public sector (Box 2.1).

Box 2.1: Challenges to Decentralization

- Central government staff is resistant to the reconfiguration of public management and the restructuring of the public sector.
- As a result, decentralization has involved less reform of public agencies than measures to circumvent central structures (such as public sector unions) by the establishment of parallel systems at the community level.
- This process of decentralization has, in the short term, resulted in the emergence of new bottlenecks. There has been little de-concentration of public services and local governments that lack the technical support of such services remain extremely weak relative to the functions they are expected to carry out.

Source: République du Mali, "Etude d'Identification du Projet d'Appui au Développement Institutionnel. Schéma Global Opérationnel de Mise en Œuvre du PDI," (Bamako, 2004).

The Public Sector

2.6 Although Mali's public sector performance is generally weak, it differs across functions. The World Bank's Country Policy and Institutional Assessment for 2003 rates Mali's economic management in the highest quintile of IDA borrowers in Africa, while its public sector management is rated in the second quintile, and its policies of structural reform and social inclusion in only the third quintile. Mali's quality of governance also varies across different dimensions of performance. As shown in Table 2.2, Mali is rated higher on indicators of voice and political stability than rule of law, government effectiveness, and corruption. While, on the whole, these governance indicators compare favorably with the SSA average, they also show that the quality of governance in Mali has worsened from 1996 to 2002 (except for the rule of law). This deterioration has been acknowledged in qualitative studies as well, which find that corruption, for example, has increased in the period of democratic transition (as described below in Box 2.2).

Table 2.2: Quality of Governance in Mali: 1996-2002

	Mali					Sub-Saharan Africa	
	1996	1998	2000	2002	Average 1996-2002	Average 1996-2002	Standard deviation 1996-2002
Voice and accountability	0.29	0.38	0.28	0.18	0.28	-0.38	0.84
Political stability	0.32	0.09	0.45	-0.1	0.19	-0.30	0.93
Government effectiveness	-0.76	-0.06	-1.06	-0.84	-0.68	-0.48	0.76
Regulatory quality	0.09	0.13	0.1	-0.49	-0.04	-0.41	0.77
Rule of law	-0.73	-0.57	-0.69	-0.54	-0.63	-0.44	0.77
Control of corruption	-0.29	-0.58	-0.56	-0.32	-0.44	-0.39	0.75

Source: Scores: -2.5 to 2.5 scales. High scores indicate high quality. The quality indicators are taken from World Bank, "Aggregating Governance Indicators." D. Kaufmann, A. Kraay, and P. Zoido-Lobaton. (Washington, DC, 1999). The data comes from <http://www.worldbank.org/wbi/governance/govdata2002/>

2.7 The contradiction between the deterioration in governance and Mali's public sector performance and its performance as captured by the Bank's CPIA ratings is more apparent than real for two main reasons. The CPIA ratings reflect a country's relative position vis-à-vis other countries, not change in its performance over time. CPIA indicators also typically focus on formal processes and do not tend to reflect informal rules and processes which exert a strong influence on public sector performance in Mali. These influences derive in large part from the neopatrimonial nature of the state, which studies of Mali have described as a continuation of norms and practices established during the colonial era.² The state functions formally on the basis of modern norms that are often counteracted by informal rules. Decision-making is typically top-down and centralized, while provision of public services is supply-driven; and goals are set in a populist fashion without corresponding mechanisms for ensuring enforcement and accountability. The self-sustainability of this system is said to derive from: 1) a distribution of power, in existence since the colonial era, which disproportionately benefits public servants and the country's urban population; and 2) a compact between politicians and the bureaucracy, which enables the politicians to use bureaucratic appointments as a means for rewarding political supporters and bureaucrats to maintain relative high wages in the absence of performance-based employment practices. Box 2.2 describes these weaknesses in Mali's public sector.

² See Young (1994) for a view of how colonization influenced the development of the post-independent state in Mali and other African countries. In its use by present-day political scientists, the concept patrimonial refers to a dominance of personalized and informal rules, institutions, and groups like family, ethnic group, and the like, over formal ones, and to little control and accountability in the use of public office, in addition to conflation between public and private domains (Schacter, 1999). Neo-patrimonialism was defined in specific reference to Africa, as one of the sub-categories of patrimonialism where patrimonial and bureaucratic practices coexist and are mutually enforcing. Neo-patrimonialism corresponds to a dual institutional system where both formal and informal rules coexist, and where formal rules are instrumented to leverage informal ones. This results in the institutional system displaying the format of a modern state, but just en façade. Another key distinctive feature between patrimonialism and neo-patrimonialism is that in a neo-patrimonial system, most people, especially public officials, know what a (modern) state should be and should do. This is often referred to demagogically by the official discourse, and the gap between standards of modernity and actual practices is a result of deliberate policy. In Africa, neo-patrimonial regimes have particularly used public employment as a tool to reward loyalty and recruit fellows (Ngaruko, 2003).

Box 2.2: The Deterioration in the Public Sector Environment

Corruption: Corruption in Mali is systemic. Accusations of corruption contributed to the 1991 coup that ushered in Mali's democratic 'Third Republic'. Yet, under the Third Republic, corruption has worsened. Democracy brought a new group of leaders to power, many of whom equated democracy with license. According to economic actors, under the former republic it was only necessary to pay a bribe at one level; now bribes are paid at all levels.

The relationship between state and society: The administration is isolated from society and is not governed by the notion of serving clients. Having long experienced an ineffective administration in addressing their needs, Malians expect little from the state. Citizens and economic operators are devoid of political ideology, and they adhere to political parties to access public resources. They typically require from the government and the political system private, rather than public, goods and services, and they sell their political support for meager, immediate, private benefits rather than the investment in public infrastructures: "receiving one dollar today is better than getting a school in the village the next year."

The performance of the bureaucracy: Mali has a political system marked by patronage, whereby public sector posts are filled with those who produce rents for their patron, for the political party and for themselves. The system of human resource management is not objective. Senior posts are filled through connections instead of qualifications; as new political officials are appointed existing senior servants are sidelined often without explanation. The sale of administrative influence often has high pay-offs, and clients exist in virtually all areas of the society. The posts in public administration can be viewed as assets that generate licit flows of income including wages and allowances, and illicit incomes flowing from embezzlement of public property, sale of public influence, and use of discretionary power to get private gains. Those who have the power to recruit and to fire require to be given part of the benefits associated with the posts to be filled or request other personal services. As a result, promotions and vacant posts are filled with incompetent and untrustworthy people, explaining the drop in the quality of the personnel. These practices spread in the administrative hierarchies, widening the circle of complicities, and making it difficult for those involved in the system to get out from the network.

Source: World Bank, "Recommandations Visant à Renforcer le Programme Anti-Corruption," (Washington DC, 2003).

2.8 These weaknesses pose major obstacles to public sector capacity building efforts, as highlighted in a recent government report³ and reiterated in interviews conducted by OED. Efforts to introduce *institutional* change confront challenges not only of patronage in senior public employment but also instability of government structures, lack of clear boundaries among structure, and weak systems of both monitoring and evaluation and checks and balances. These institutional weaknesses in turn impede capacity building at the organizational and human levels. Within the prevailing institutional context, efforts at *organizational* strengthening confront the tendency to create or maintain redundant agencies to benefit politically influential actors. And *human resource* capacity building is impeded most directly by deficiencies in the National

³ République du Mali, "Mission d'Expertise sur la Réforme de l'Etat et la Modernisation de la Fonction Publique," Primature et Commissariat au Développement Institutionnel. Rapport Final réalisé par C. Cissoko, P. Bernard, J. Habas, M.A. Touré, and C. Schulze. 2002.

Directorate of Public Service and Personnel—the central agency in charge of strategic planning of human resources, formulation of human resources policy, and management of public servants' recruitment and careers. A key constraint cited in interviews is the lack of an explicit policy and transparency in managing training and providing scholarships.

3. The Bank's Support for Capacity Building

3.1 Efforts aimed at reforming the state in Mali and strengthening public sector capacities are not new. Decentralization was provided for as a constitutional principle of the post-colonial regime in the early 1960s. Major reform efforts were undertaken in 1969 and 1977, and a subsequent major reform in 1985 was encouraged and supported by the Bank. All these reform efforts have had limited impact, due in part to two key factors. First, the 1969 and 1977 reform attempts were supply-driven and did little to bring beneficiaries into the reform processes. Second, the reform efforts largely overlooked power relations and individual interests in the status quo within the public sector. As a result, the reforms did not overcome opposition to their major directions of change. Moreover, the reform of the 1980s focused largely on downsizing government, with a view to stabilizing Mali's economy by cutting public deficits, rather than on strengthening its public sector capacity.⁴ By the mid-1990s, the starting point of this review, the reform effort and Bank support had shifted to a more explicit focus on improving governance and strengthening public sector capacity.

The Bank's Lending and Non-lending Support

3.2 The Bank has used several instruments to help Mali build capacity: mainly lending, analytical work, the World Bank Institute, and the African Capacity Building Initiative. This report focuses on lending and analytical work. The other two sources of support are separately reviewed.⁵

Lending

3.3 Between FY93-03, the Bank committed a total of \$775.3 million to Mali, which is currently the 15th largest African IDA borrower. Of that total, some \$350 million funded three adjustment and five investment loans in the review's four focal sectors. Two of these operations have supported sector wide approaches (SWAs) in education and health.⁶

⁴ An OED review of Bank support for this period of civil service reform concluded that the Bank's focus on inefficiency overlooked the more important problem of the ineffectiveness of public administrations. OED, *Civil Service Reform. A Review of World Bank Assistance*, (Washington, DC: World Bank, 1999).

⁵ See Peter Kimuyu and Catherine Gwin, "A Summary Assessment of the African Capacity Building Foundation," (Washington, DC: World Bank, 2004) and Kenneth Prewitt, "The World Bank Institute's Support for Capacity Building in Africa: An Independent Review," (Washington, DC: World Bank, 2004).

⁶ It should be noted that the actual involvement in these four sectors is somewhat higher than Table 3.1 indicates. The reason for this is that the identification of the universe of projects in the four sectors reviewed is based on the sector identification of each project. This methodology excludes interventions originating from sector groups despite the fact that some other interventions entail roads, education, health, and even public expenditure management capacity building components. For example, the Mali National Rural Infrastructure Project (NRIP), while labeled as an agriculture project, provides support across several sub-sectors in the rural "space", including road infrastructure and related capacity building.

Table 3.1: Commitments for Capacity Building Components (US\$ million)

Year	Project	Investment Loans		Adjustment Loans	
		Total Commitment	Capacity Building Cost (% commitment)	Total Commitment	Capacity Building Cost (% commitment)
ROADS					
1994	Mali Transport Sector*	54	6.8 (13%)		
EDUCATION					
1995	Education SECAL			50	0 (0%)
1996	Vocational Education	13.4	12.5 (93%)		
2000	Improving Learning in Primary Schools	3.8	1.2 (32%)		
2001	Education Sector Expenditure Program	45	11 (24%)		
HEALTH					
1999	Health Sector Development Program	40	18 (45%)		
Macroeconomic Support					
1996	Economic Management			60	14.4 (24%)
2000	SAC III			70	28 (40%)
	TOTAL BANK PROGRAM	160.2	53.5 (33%)	180	42.4 (24%)

*Total commitment amount of the project was \$65 million. Approximately \$54 million was apportioned to roads.

3.4 There are several noteworthy features of the eight principal projects. The average size of the eight projects of \$43.4 million is comparable to the average size of Bank's interventions in Sub-Saharan Africa over the period 1993-2003. Three of the eight projects are still active—the Mali Transport Sector project, Health Sector Development Program, and Education Sector Expenditure Program. At the end of the review period, there was no active adjustment operation in Mali financed by the Bank.⁷ The overall outcome of the four closed projects has been poor—only one was rated by OED as satisfactory. Also, project activities have taken place at local and regional levels in all the investment operations, except the Transport Sector project.

Lending for Capacity Building

3.5 Lending for capacity building in the four sectors has been substantial. About \$160 million of investment lending has been committed in the four sectors of which some \$54 million (33 percent) was allocated to capacity building activities. In addition, the Bank provided some \$180 million in adjustment/budget support of which about \$43 million (24 percent) was directed at

⁷ The base case lending scenario of the CAS for FY 04-06 provides for the financing of the SAC-3 supplement by an IDA grant, and the financing of SAC-4 by an IDA loan, though.

capacity building objectives.⁸ Table 3.1 presents the break-down of capacity building costs against the total commitment amounts for the project.

Economic and Sector Work

3.6 The Bank has also undertaken significant ESW in Mali since 1993 related to the four focal areas of this review. In the area of public financial management, the Bank has undertaken two fiduciary assessments designed primarily for its internal purposes—a country procurement assessment report and financial accountability assessment. In addition, the Bank conducted a joint assessment with the IMF of Mali’s 2003 Poverty Reduction Strategy Paper (PRSP) and a public expenditure review, whose interim report was a reference document for the first of two workshops on institutional development held in Mali in October 1994, and a major report on corruption. Virtually all of these analyses focus on capacity building, some providing capacity needs assessments. However, the scope of these capacity needs assessments is quite variable. While some (e.g. the report on corruption) provide a comprehensive account of the capacity needs for each dimension of capacity (e.g. human, organizational, institutional), the sector-specific reports deal in only limited ways with the issue of institutional capacity, though they frequently use this term in addressing organizational capacity issues.

Country Views

3.7 Before turning to an assessment of the relevance of the Bank’s support for capacity building since the mid-90s, this section provides a summary of views on the Bank’s role expressed by government authorities and other stakeholders interviewed for this evaluation. These views on the relevance and effectiveness of the Bank’s support, which overall are mixed, are summarized along the three dimensions of human, organizational, and institutional capacity.

Human Capacity

3.8 Human capacity in the public sector in Mali is limited for several reasons. Over the past 10 years, many posts provided for by new laws have not been filled.⁹ There are also significant personnel gaps in frontline service delivery structures, especially due to the decentralization /de-concentration policy, which has resulted in considerable expansion of human resource needs in local public administrations.

⁸ For investment loans, capacity building support was estimated by summing the costs of activities—such as TA, training, consultancies, studies, and equipment and materials—designed to strengthen government functions (not including costs for direct frontline service delivery, such as the construction of schools and clinics). For adjustment operations, the estimate was based on calculating the number of conditions or actions directed to achieving specified capacity building objectives as a percent of the total number of actions.

⁹ In 2000, a joint Ministry of Economy and Finance-UNDP assessment found that only about 70 percent of staff positions were filled and staff in place in central government development planning and management office. Ministry of Economy and Finance and UNDP, “Diagnostic des Ressources Humaines des Structures de Plannification et de Gestion du Développement au Sein de l’Administration et dans les Collectivités Décentralisées au Mali,” 2000.

3.9 The shortages reflect, in part, policies undertaken in the 1980s, with encouragement by the World Bank, which intended to increase public sector efficiency by downsizing the bureaucracy. After expansion of the bureaucracy in the 1970s, a general job freeze was put in place in the 1980s and early 1990s and the size of the bureaucracy dropped in absolute number, notably by about 25 percent from 1987-1996.¹⁰ The downsizing reform measures were not accompanied by major efforts to upgrade the skills and performance of the civil service personnel. For example, by 1996 only three of the eight teacher training schools that existed in 1990 were still functioning. Since 1996, most of these schools have re-opened, and the number of teachers' training schools is now expected to rise. Still, over the next 10 years, more than 70 percent of Mali's public servants will retire as a result of the job freeze and public officials are concerned about the absence of adequate support for helping the country to deal with the human resource development needs that the situation implies. Moreover, the system of human resource management is not objective: senior posts are filled through connections more than on the basis of qualifications and frequent changes in Ministers has been accompanied by a high level of turnover of key ministry staff. (This point is also made in the report summarized in Box 2.2).

Organizational Capacity

3.10 The relevance and effectiveness of Bank support at the organizational level is also viewed as mixed. While the Bank is said to have contributed to organizational strengthening, it is also seen to have increased fragmentation in the public sector between "islands of performance" created with Bank support and the rest of the bureaucracy. This is particularly the case where capacity building support has been focused on project implementation units established outside a ministry's regular structure. Moreover, because support for organizational strengthening has been designed and managed project by project, it has at times overlooked critical interrelationships in the functioning of separate units. That is, the support has, in some instances, failed to attend to the capacities of critical upstream and downstream organizational linkages and, in other instances, fostered a duplication of task in multiple agencies using incompatible methods that cause problems of coordination or consolidation of related efforts. For example, over the past ten years the Bank and other donors have supported the creation or strengthening of statistical and planning agencies within certain sector ministries, but with inadequate coordination with the strengthening of the *National Directorate of Statistics and Information*. As a result, informants noted that it has been difficult to consolidate sector-specific programs and draw up national development plans. The problem stems, in part, from the organization along sector lines of government ministries and most Bank and other donor operations, and the tendency of sector teams to develop interventions without adequate cross-sector interaction and coordination.

Institutional Capacity

3.11 The main constraint to public sector effectiveness is institutional, according to most individuals interviewed. One problem frequently cited is that with each cabinet shuffle new ministers alter ministry structures and place clients at strategic posts in the ministry, regardless of

¹⁰ Ian Lienert and Jitendra Modi, "A decade of Civil Service Reform in Sub-Saharan Africa," IMF Working Paper WP/97/179, page 43.

their qualifications, to facilitate the exercise of discretionary power especially in the area of procurement (as noted in the Bank's corruption study). The Bank has addressed the institutional constraints in its analytical work, but has given only limited attention to the major underlying institutional constraints to capacity development in its operations.

The Relevance of Bank's Capacity Building Strategy Since 1993

Diagnosis and Design

3.12 Over the period 1993-2004, the Bank produced three country assistance strategy papers for Mali. Each of these CASs included diagnoses of capacity building needs:

- The 1994 CAS mentioned that there was a lack of accountability and transparency in most transactions within the public sector as well as between the public and private sectors. It emphasized that "efforts made to improve civil service efficiency had been largely unsuccessful" and that the government was yet to spell out a clear policy on institutional development.¹¹
- The 1998 CAS emphasized the cumbersomeness of civil service, as well as the need to improve the legal and regulatory frameworks. It pointed out that the Bank's previous program was difficult to implement given political sensitivities in an electoral period. The 1998 CAS incorporated a short, yet highly relevant, political economy analysis of the context of institutional reform. This analysis identified groups that would be the immediate 'losers' from reforms and could therefore be expected to oppose them (civil servants, teachers and student unions, staff from enterprises to be privatized or restructured, a group of entrepreneurs that had then benefited from special protection) and groups of potential 'winners' (a new wave of dynamic entrepreneurs, farmers, and women) which were expected to support the reform process. The CAS argued for increased information and communication, in order to give more voice to those in favor of the reforms and to convince those who feared losses of the longer-term benefits of reforms.
- The 2003 CAS pointed to: (i) slow decision-making; (ii) insufficiently qualified personnel and lack of appropriate material resources; (iii) a poorly adapted development and institutional management framework, which hampers the elaboration of effective development policy and mobilization of resources; and (iv) dispersion of planning and development structures in different ministries with inadequate coordination mechanisms between them. It also pointed out that the judicial system had: (i) complicated and costly procedures; (ii) inadequate access, concentrated in Bamako; (iii) irrelevant legislation and regulation unable to keep up with social, political, economic, cultural, and environmental changes; (iv) insufficiently trained personnel combined with a lack of judicial inspection and accountability; and (v) an unclear division of responsibility between political and administrative affairs within the judicial system.¹²

¹¹ 1994 CAS, page 9.

¹² 2003 CAS, pages 10-11.

3.13 A number of the assumptions about capacity building needs underlying these CASs are broadly relevant. In particular, the attention in the 1998 CAS to risks associated with public sector reform in relation to different groups' interests was pertinent and could be considered as best practice. Also, the 2003 CAS proposed a strengthening of public sector capacity based on a highly relevant Bank analysis of Mali's institutions and the main constraints to capacity development.¹³

3.14 Nonetheless, the Bank's country programs have largely overlooked the systemic character of public sector weaknesses in Mali. As a result, they have underestimated the difficulty of bringing about change in a system which many stakeholders—except those at the grassroots—have strong incentives to maintain. Instead, the Bank's strategy has consisted of picking some issues and focusing on some agencies, while overlooking crosscutting weaknesses. Even when ambitious changes have been envisioned to solve such complex problems—for example the recommendations for the anti-corruption reform—they have tended to take the form of a long list of proposals without a clear prioritization among them, and to focus on limited technical solutions to problems that have their origins in institutional weaknesses. The Bank's response to capacity deficiencies in Administrative and Financial Directorates (DAFs) is illustrative. These offices tend to be undermined by frequent staff turnover, as a result of frequent minister shuffles. The Bank has long pushed for the training of new DAFs' staff, few of whom have remained in office for more than one year.

3.15 Moreover, while each CAS has incorporated some capacity-building diagnosis, capacity development does not appear in these CAS as a strategic objective, except where defined in broad terms of institutional development. As a result, capacity building objectives—especially those related to human capacity—are typically not specific in the three CASs. Institutional—and to some extent, organizational—objectives are stated, but what is understood by capacity development is often unclear. This problem is aggravated by the lack of capacity development outcome indicators, which makes it difficult to monitor progress. Overall, the treatment of capacity building in the CAS is largely handled as an addendum to specific interventions and the capacity building activities within those interventions do not add up to a clearly specified capacity building strategy.

Alignment

3.16 Judging by the fact that the CAS process has become increasingly consultative and that the proposed lending program in the most recent CAS is based on Mali's PRSP, the Bank's support to Mali can be seen to be aligned with country priorities, on a formal level.

3.17 The 1994 CAS explicitly noted the Bank's support for decentralization in its agricultural and rural development component, and emphasized participation in operations in the education and health sectors. The 1998 CAS extended support in the education sector to decentralized service delivery. Additionally, the 1998 CAS proposed to support decentralization as an

¹³ World Bank, 2003. The base-case lending scenario envisioned in the CAS is conditioned on the implementation for this report's institutional reform recommendations. In case of failure to enforce these recommendations, the total Bank assistance will drop from US\$390 million (the base case lending scenario) to US\$237 million (the low case lending scenario) for the FY04-06 period.

objective of an Institutional Development Program and a Municipal Development Program. Building on experiences of the previous CAS, the 2003 CAS proposed to support capacity building for local governments and the de-concentration of the management of public services. Thus, formally, the Bank and the country appear to share views on capacity building needs and appropriate interventions.

3.18 Yet, there are two reasons to be cautious about defining this alignment in more than formal terms. First, the persistence of the neo-patrimonial features in Mali limits effective demand for change either from within or outside government. Second, the Bank's use of the term "institutional development" as a catch-all term conflates institutional and organizational change and tends to obscure rather than to highlight the needs for institutional change as an underpinning of organizational and human resource capacity development.¹⁴ In the specific case of Mali, the Bank has used the notion of institutional reform while largely focusing on organizations. Institutional capacity development in Mali—e.g. the state's ability to provide a coherent framework that tackles its systemic weaknesses and articulates goals, incentives, and rewards for more effective performance by organizations, groups, and individuals—has largely remained an elusive goal. Even promising diagnoses, such as the political economy analysis carried out in the 1998 CAS and the corruption report, have not been translated into well-articulated actions due to the lack of a clear approach to, and vision of, institutional capacity development. This has limited the relevance of the Bank's capacity building support.

¹⁴ For example, the 2002 *World Development Report* defines institutions as "rules, enforcement mechanisms, and organizations. Rules include behavioral norms, by which people interact, and the organizations that implement rules..."

4. The Relevance and Effectiveness of the Bank's Capacity Building Support

4.1 This section examines the relevance and effectiveness of the Bank's capacity building support in the four focal sectors of this review: roads, health, education, and public financial management. On measures of both relevance and effectiveness, the Bank's support has been strongest in the roads sector, stronger in education than in health, and weakest in public financial management. Overall, its support has also been more effective at building organizational and human resource capacities than building institutions, though there is considerable variation in the effectiveness of its support for these dimensions of capacity across the four sectors.

The Roads Sector

4.2 Road infrastructure development, which has been at the core of the government's investment effort over the period of this review, has led to a doubling of the total length of asphalted roads since 1993. As a landlocked country, Mali has had little alternative to roads for the shipment of its imports and exports. Indeed, the importance of roads has increased over the review period because of problems encountered with the major railroad line, the Dakar-Bamako railroad, and the crisis in Cote d'Ivoire that has impeded the traditional shipment of the bulk of Mali's exports and imports through the harbor of Abidjan in Cote d'Ivoire.

4.3 The strategy for road sector development has been based on three pillars: (i) the promotion of sustainable development of transport infrastructure by ensuring adequate allocation of financial and human resources to infrastructure maintenance; (ii) the increase of transport sector efficiency by implementing sound market and fiscal policies to support the rapid modernization of Mali's transport companies; and (iii) support of cross-sectoral initiatives primarily in the areas of economic competitiveness, road safety, rural poverty alleviation, HIV/AIDS prevention, and health services accessibility.¹⁵

4.4 Improvements made in Mali's road sector management have contributed to the progress that has been made in the road system. The creation of dedicated government road policy, management, and financing organizations and agencies has been at the heart of the reforms. Since December 2002, the task of defining the country's road development policy and elaborating the roads routine and periodic maintenance program is under the responsibility of the National Department of Highways (Direction Nationale des Routes–DNR).

4.5 As the oversight agency for road maintenance work, the DNR works closely with the Road Statistics Service (Service des Données Routières–SDR) in order to assess road maintenance priorities throughout the country. Its annual maintenance program is submitted for approval to the Board of Directors of the Road Authority (Autorité Routière–AR), which

¹⁵ Specific road objectives of the PRSP during the 2002 – 2004 horizon were: (i) routine maintenance of up to 14,000 km; (ii) periodic maintenance of up to 1,055 km; (iii) rehabilitation of new construction of up to 4,975 km; (iv) construction of 8,272 km of rural trials; and (v) construction of two new bridges over the Niger river (3rd bridge in Bamako and one in Gao).

manages the financing of the road maintenance (both routine and periodic) program. The AR is an independent agency whose Board of Directors is comprised equally of representatives of the state and civil society, including road users. It was created in 2000 following the dismantlement of the then existing road fund, which was controlled by the government. Since 2003, the financing of road maintenance activities is derived from: (i) an axle load charge paid by trucks using Mali's road network based on axle weight; (ii) a fuel levy on all types of fuels sold within Mali; (iii) toll road fees charged on selected road segments; and (iv) government special investment funds. Of these four sources of financing, only the government budget's special investment funds and the axle load charge were in place in 2003. The fuel levy was introduced in 2004 and has since generated about \$1.8 million of revenue.

4.6 The progress that Mali's road sector has recorded over the past 10 years resulted from comprehensive changes in human, organizational and institutional capacity, strong commitment of the government, and a context providing important incentives for improvement in the sector.

- *Institutional capacity improvement*: The institutional capacity development in the sector was reflected in the adequate combination of private and public actors with clear roles, and in more adequate incentives for the private sector to engage in maintenance activities and for the public sector to restrict its involvement to the design, monitoring and evaluation of maintenance programs. Private firms now ensure the maintenance of roads, while public servants provide regulations and training sessions to the benefit and on demand of these private firms. This scheme is reported to have considerably reduced the costs of road maintenance. Most government officials interviewed expect the government share of direct financing of road maintenance to decrease in the future, and road user shares to increase from 10 percent of the road maintenance budget in 2004 to 40 percent by 2007, and to continue to increase thereafter. Moreover, the presence of road user representatives on the board of the *Autorité Routière* was a key institutional innovation that accounts for much of the success, as it ensures a minimum accountability of different actors involved in the sector.
- *Organizational capacity strengthening*: The strengthening of the *Direction Nationale des Travaux Publics* and the creation of a data bank for road maintenance in this directorate in 1997 has enabled design of a relatively more rational program of road maintenance. Organizational capacity was reflected in the creation of the *Autorité Routière*, the independent office in charge of the management of the fund for road maintenance.
- *Human capacity enhancement*: The provision of technical assistance to train staff from both private and public structures involved in the sector has improved capacities in procurement, road maintenance, and the protection of the environment.¹⁶

4.7 Still, most informants emphasized that while the new scheme was a promising one, only its full implementation and scaling up would make a significance difference in terms of the

¹⁶ "Note sur les Activités du Projet Sectoriel des Transports en Matières de Développement des Capacités" Projet Sectoriel des Transports, Ministère de l'équipement et des Transports, 2004.

contribution of the sector to the development of Mali.¹⁷ A law creating the Road Agency was approved in September 2004, but action to make the Agency fully functional has not yet been taken. Also, the capacity of the Roads Statistics Service and its interaction with the DNR remain to be strengthened. Accordingly, they view as relevant the upcoming Second Transport Sector project, which the current CAS proposes for support in 2006.

The Bank's Support in the Roads Sector

4.8 The European Commission is the lead donor in financial terms for road investment, but the Bank is helping develop a SWAp including all relevant transport sub-sectors warranting a substantial investment program to be supported by the donor community. Between 1993 and 2004, the Bank financed one project in the transport sector—the Mali Transport Sector project. The reforms implemented in the road sector in the 1990s with support from the Transport Sector Project have not yet been fully assessed, given that this project is still active. At present, what is evaluable is the relevance of the project's capacity building component, though some preliminary findings on effectiveness have been obtained from interviews and data collected for this review.

4.9 **Relevance.** Capacity building and training was one component of the Mali Transport Sector project. The component's objectives were to strengthen sector management and performance through reorganization of transport services, modernization of administration, and local capacity building; and to restructure the transport sector. The Transport Sector Committee and the Government in conjunction with the Bank were involved in project design. The project was a response to the Government's reform program, which called for support to improve the sector's efficiency. One aspect of this was to modernize and streamline administration. At the time of project appraisal, the need to reorganize public administration and strengthen institutional capabilities was discussed extensively, and these needs were described in the project appraisal report. But, the document did not indicate the source of demand for these changes. Moreover, while the objectives were clear, the capacity building indicators of success were far less clear.

4.10 Sustainability was promoted through: (a) institutional reforms to be introduced within the sector's administration to upgrade its planning and management capacities; (b) reforms in transport regulations to allow the industry to develop; (c) restructuring of the public enterprises to enhance their efficiency, and the passing on to users, through the prices charged, of the full range of transport operating costs; (d) revision of the road-user taxation system to improve the recovery of road use costs; (e) development of the Malian construction industry; (f) training and upgrading of sector personnel; and (g) reduction of the annual infrastructure rehabilitation bill

¹⁷ While Mali has recorded considerable progress in the road sector, it still faces serious challenges. With 1.04 km of road per 100 square kilometers, or about 13,000 km of primary roads, Mali's road network is one of the lowest in the world. In comparison, that same figure is 3.10 for the Economic Community of West African States (ECOWAS) and 4.70 for the whole of Sub-Saharan Africa. Of the 13,000 km of primary roads, about 3,000 km are paved urban and inter-urban roads while the rest, or about 10,000 km are dirt roads. The overall rating of quality of these roads varies considerably from one type of roads to another. In 2002, 43.5 percent of paved roads condition was rated as good to somewhat good versus 28.3 and 4 percent for urban/inter-urban and rural roads, respectively.

through introduction of rational routine maintenance and preventive periodic maintenance. Overall, the project design features were highly relevant.

4.11 *Effectiveness.* Although the Mali Transport Sector project's effectiveness has not been fully assessed, preliminary findings point to likely mixed success. While achievement to-date has been insufficient to enhance the sector operation efficiency, improve and maintain road infrastructure, and build new infrastructure, the project has contributed notably to capacity building in the road sector.¹⁸

- On *institutional capacity development*, the Mali Transport Sector project has spearheaded the reform that resulted in the generation of incentives for the private sector to engage in maintenance activities, and for the public sector to restrict its involvement to the design, monitoring and evaluation of maintenance programs, as well as in the road user representatives in the board of the *Autorité Routière*.
- At the *organizational level*, the project has contributed to: (i) creation of the Transport Observatory in 1995; (ii) creation of the Center for Technical Inspection of vehicles in 1997; (iii) computerization of the driving licensing administration; (iv) creation of the Road Statistics Service; and (v) preparation of the highway regulation code by the road sector administration agency.
- On *human capacity building*, the project has supported creation of a post-graduate training scheme for senior staff from both public and private sectors in the management of road maintenance. As of June 2004, about 19 engineers had benefited from this training. Prospects point to making this scheme perennial.

4.12 Compared with the human and organizational capacity building, institutional capacity improvements were the most innovative, and stakeholders contended that it was this level of improvement that made progress in the roads sector possible. Overall, the experience suggests that small, well-targeted and articulated changes can result in capacity building successes. It also suggests that the factors that decisively contribute to capacity building success in neo-patrimonial institutional settings are likely to require more than broad shifts from public management to privatization. In Mali, the changes that were introduced combined privatization, de-concentration, re-definition of roles in the sector, the balancing of power relations, and creation of adequate built-in mechanisms of accountability through the inclusion of road user representatives on the board.

The Education Sector

4.13 Over the past 10 years, the education sector has witnessed major changes. Since the mid-90s, education has been a priority sector for economic and social development and has benefited from continuous increase in public expenditure in the sector. From 1997 to 2002, the share of education in the recurrent budget has risen from 26 to 30 percent. About two thirds of this effort has been aimed at basic education. This has resulted in a considerable increase in the number of

¹⁸ World Bank, "Transport Support to Growth and Equity," (Washington, DC, 2004).

primary schools, classrooms, and school workers, resulting in increases in gross rates of primary school enrolment, though this enrolment record remains weak.(as shown above in Table 2.1).

4.14 Mali introduced an education sector development strategy, the *Programme Décennal de Développement de l'Éducation* (PRODEC), in 1996 and completed development of a sector-wide development program in 2000. This sector-wide program defines objectives, targets, and an Education Sector Investment Program—Programme d'Investissement Sectoriel Education (PISE). Decentralization of education service delivery is the backbone of this program and the bulk of capacity building within the program has aimed to support the decentralization reform—moving in phases from de-concentration to decentralization beginning in 2007. The reform effort, which confronts an immense challenge largely due to the size of the sector, addresses human, organizational, and institutional capacity building needs.

4.15 In response to the *human capacity building* needs, the sector program has been designed to train and hire annually an average 2,450 teachers for 10 years, to make 21 teachers' training schools functional, and to upgrade the skills of 11,000 teachers, for basic education. In addition, the program faces the need to upgrade the skills of tens of thousands of staff in the sector as a whole.

4.16 The *organizational capacity building* challenge is also huge. It involves de-concentration and subsequent decentralization of management and administration functions, involving the development or strengthening of entities in Mali's eight regions, 700 communes, and village level communities. The organizational objective also entails the definition of the mandates and internal mechanisms of these agencies and the provision of adequate staffing and financial resources to achieve the objectives.

4.17 The *institutional capacity development* task is the most challenging part of the decentralization effort. It entails making a whole range of machineries originally created and designed to work in a top-down manner function in a bottom-up scheme of accountability. More broadly, it involves the redefinition of roles among different stakeholder groups, and the reorientation of whole system of incentives, culture, and practices whose foundations were established more than a century ago.

The Bank's Support in the Education Sector

4.18 The Bank has been active in the education sector for several decades now. During the evaluation period, the Bank financed four adjustment operations that had no explicit capacity building objectives. It also supported three investment projects with the following capacity building objectives.

- The first—Improving Learning in Primary Education project, a Learning and Innovation Loan—aimed at developing and assessing the merits of bilingual education in Mali in terms of its financial and educational sustainability. Its capacity building objectives were related to the decentralization of service delivery in the education system and the strengthening of the Project Coordination Unit's management and implementation capacity.

- The second—Vocational Education and Training project—aimed at: (i) contributing to economic growth and human resources development, targeting in particular the skill requirements of relatively poor urban groups in the informal sector; (ii) improving local capacity to allocate training resources as a function of labor market demand; and (iii) increasing involvement of the private sector in management, provision, and financing of vocational education and training. The capacity building component of this project focused on: (i) improving the quality and skills of instructors; (ii) developing management capacity at central and school levels; (iii) setting up a Vocational Training Support Fund (VTSF); (iv) upgrading and retraining skills with financing from the Vocational Training Support Fund; (v) establishing an Employment and Training Observatory; and (vi) training Employment Observatory staff.
- The third—Education Sector Expenditure Program project—aimed at increasing gross primary enrollment and the quality of teaching and learning, as well as improving decentralized management of the education sector. Its specific capacity building objective sought to strengthen the capacity of decentralized management units.

4.19 **Relevance.** The relevance of capacity building objectives in the three investment projects is mixed. While capacity building was largely an instrumental objective in the Improving Learning in Primary Education project, it was a strategic objective in the Vocational Education and Training project and sector wide program.

4.20 The *Improving Learning in Primary Education project*, based on the assumption that weak central management plagued the education system, focused on decentralization with the objectives of revising decentralization laws and developing an adequate organizational framework. While this project had clear objectives and a few indicators of success, it had no clear discussion of who was involved in the design. Also, it is not clear how well the project’s capacity building objectives were aligned with the project’s overall objectives, since decentralization did not take place in spite of the implementation of the capacity building component (discussed below). Overall, the project’s capacity building objectives appear less relevant than the objectives of the other two projects.

4.21 In the *Vocational Education and Training project*, capacity building objectives and indicators were quite clear. In addition, the scope of the project embraced the three dimensions of capacity (human, organizational, and institutional). Thus, assessed against the CASs priorities and diagnosis, this project’s capacity building component was highly relevant overall.

4.22 The *Education Sector Expenditure Program project* identified a need to strengthen institutional capacity for education system management, but it mainly targets organizations rather than the institutional changes needed to make the organizational developments effective. A core project objective is to “strengthen capacity for decentralized management of the education system.” In three phases over a ten year period, it aims to support a cascading transfer of responsibilities and resources from central to regional and local levels of government, including through support for the development of education plans, a shift in budgeting, and broad changes in the way primary schools are managed. It emphasizes pedagogical and financial sustainability in that teacher training institutions were meant to receive adequate support to ensure that teaching practices learned endure when confronted with classroom realities. It also

provides triggers for moving from each phase of central and regional to local education management. But, both program design and triggers are far more explicit on the intended changes than on the actual capacity to be built in planning, financial management, and personnel management and the means for achieving sustainable capacity development.

4.23 Bank support at the start of this program faced three types of personnel and three capacity standards. Until 1993, the personnel in the education sector mostly comprised centrally-managed civil servants organized in powerful unions, which posed a real challenge for reform efforts that affected negatively the benefits of union members. To circumvent teachers' unions, the Bank supported the creation of a second category of personnel, the 'contractual' teachers—with less privilege (they were paid 50 percent less). However, these contractual teachers have gained power since then, as their increasing number has allowed them to organize powerful unions. These unions have now compelled the government to adopt a reform that will turn their status into that of the public servants by 2005.

4.24 As part of the sector program, the Bank is now supporting the development of a third system based on teachers hired and paid by communities. Under this system of community schools, the government is supposed to financially assist local communities, each of which will manage its schools and set its own wage policy. Interviews with Bank staff indicate that the number of schools is growing rapidly and generally appear to be working well. The system will be reviewed in 2005, and findings may lead to a change in the management and financing of the sector program to support more community schools directly. Overall, the capacity building objectives in this project were moderately relevant.

4.25 *Effectiveness.* Of the three education investment projects, only the vocational and primary education projects are closed and can be reliably assessed for effectiveness. Overall, the two projects improved capacity at the organizational and human level relatively more than at the institutional level.

- While *institutional capacity* is barely addressed in the documents of the two closed projects, project outcomes show considerable variation in the extent of achievement among institutional change objectives. For example, the Improving Learning in Primary Education project resulted in more accurate and timely data, increased capacity to manage project implementation, and the project coordination unit established a financial management system (TOMPRO) for accounting, financial reporting, and auditing. But, the project's main decentralization objective did not take place.
- In the area of *organizational capacity* development, the Improving Learning in Primary Education project supported the creation of a created a department responsible for decentralization of the education sector in the Ministry of Basic Education; and the Vocational Education and Training project resulted in the creation of an Employment and Training Observatory. Still, most of the major organizational development features of the decentralization policy have been carried over into the sector program and a strategic plan for reorganization of the VET system has yet to be developed.
- In the area of *human capacity* development, the Improving Learning in Primary Education project provided staff with training in procurement, financial management, and accounting processes. According to its Implementation Completion Report (ICR), the

Vocational Education and Training project overall fared better in terms of human capacity building effectiveness. Although the improvement of the quality and skills of instructors was not formally measured, the management capacity at central and school levels was reportedly strengthened and skills upgrading and retraining was achieved. Other human capacity building outputs were: increased hours of training in school administration for personnel and training institutions, strategic planning and management methods for staff, and support for continuing training and apprenticeship. But these output indicators have not been accompanied by evidence of outcomes and issues of sustainability remain dependent on broader systemic change.

4.26 The education sector program, according to a midterm review, has achieved most of its phase one objectives. Much of the organizational strengthening planned has been put in place. There has been some shifting of budget resources from the center to regions; and new regulations have been developed regarding school level management, scheduled for 2007 and beyond. Yet, significant institutional, organizational and human resource issues have progressed less well. Notably, over half of the directors of Regional Academies have been replaced; this will compromise the program unless new directors can be trained on an urgent basis. Mechanisms are not yet in place to provide for local management of schools. Only half of the new classrooms planned have been constructed. Teacher training institutions remain weak and the number of new graduates is small, contributing to the growing number of untrained contractual teachers. Yet, the careers of the growing number of contractual teachers are not being adequately managed. In addition, despite funding intended to achieve more equitable access, disparities continue to exist between regions (e.g., in the provision of books) and evidence on improvements in the quality of education is still not satisfactory.

The Health Sector

4.27 Mali was one of the first African countries to make health improvements a key priority in its development policy. The first Malian ten-year plan for health and social development—*Plan Décennal de Développement Sanitaire et Social* (PDDSS)—was developed in the mid-1960s, a couple of years after independence. This plan aimed unrealistically to provide free health care to all Malians. The strategy of the second ten-year PDDSS, 1981-1990, emphasized primary health care through the development of rural health infrastructures including village health centers and village pharmacies, as well as training and appointment of village nurses. In 1990, the government opted for a comprehensive approach articulating the principles of primary health care, health care cost recovery, decentralization and community involvement. This approach also included the adoption of the district health system, which emphasizes the principle of health care provision based on contracts between community health associations and the state.

4.28 The development of this approach culminated in the adoption of the third PDDSS covering the period 1998-2007. Capacity building objectives of this PDDSS involved: (i) the enhancement of participation and inter-sectoral coordination; (ii) improvement in sector performance; and (iii) reinforcement of synergies and complementarities between different actors of the national health and social action system. The adoption of a health sector-wide program—*Programme de Développement Sanitaire et Social* (PRODESS)—in 1998 was the first step in the

implementation of this third PDDSS. The program, which covered the period 1998-2003, was based on a programmatic approach. It aimed at setting up perennial structures of health care provision, strengthening institutions, and introducing new financial and managerial procedures. Its implementation has achieved mixed results, as shown in Table 4.1.¹⁹

Table 4.1: Rate of Achievement of the PRODESS Targets

	Achievement		PRODESS Target for 2002 [3]	Rate of achievement (%) = [2] / [3]
	1998 [1]	2002 [2]		
Percentage of population with a health center less than 5 km away from their home	32	44	45	98
Percentage of population with health center less than 15 km away from their home	49	68	65	105
Total number of consultations over population ratio (%)	19	21	50	42
Rate of coverage in prenatal consultations (%)	38	54	80	68
Rate of assisted births (%)	37	40	50	80
Rate of use of contraceptive care (%)	2.5	3.3	15	22

Source: European Union Office, "Experience et Résultats du PRODESS," (Bamako, 2004).

4.29 Mali's poverty reduction strategy for the period 2002-05 sought to reorient the health policy to: (i) adapt the strategy to each region's specific poverty and health status; (ii) strengthen Information-Education-Communication strategy, prevention activities, and multi-sector, decentralized and participative approaches targeted specifically at the poor; (iii) revise the national population policy and improve treatment of population issues in sectoral policies; and (iv) modify the sector's allocation and management of the human and financial resources.

4.30 Limited success in strengthening all three dimensions of capacity has contributed to modest achievements to-date of the health sector development program.²⁰

- *Institutional:* The record of the PRODESS on institutional capacity building is mixed. The adoption of a policy based on participation and empowerment of beneficiaries has contributed to some positive sector performance achievements: it has provided incentives for NGOs and other civil society actors to become involved in the development of health sector. Yet, the modesty of the achievement of the PRODESS owes a great deal to the government's inability to put in place adequate incentives in other aspects. For example, the Ministry of Health proposed to use funds made available by the Heavily Indebted Poor Countries initiative to pay special compensation to those nurses and physicians who would accept to work in rural areas, but the Ministry of Finance rejected the proposition on the grounds that public servants of other ministries working in the same areas did not have such benefits. As a result, technical personnel remain concentrated in Bamako, which has a far higher ratio of health public servants per inhabitant than elsewhere in the country.

¹⁹ It should be noted that the figures of Table 4.1 mask important imbalances, especially among regions and rural versus urban. On the other hand, impact indicators show even more limited outcomes. Some indicators have worsened over the period. This was the case of maternal mortality rate and malnutrition of children.

²⁰ European Union Office, (2004).

- *Organizational*: The implementation of PRODESS has resulted in some progress on organizational capacity development, notably some de-concentration of administrative structures from the capital to other provincial major cities, and the creation of some new agencies at regional and local levels. For example, ten new training schools were created in the regions and the number of community health centers increased (from 360 in 1998 to 624 in 2002). The establishment in 2000 of the Ministry of Social Development, separate from the Ministry of Health has been acknowledged as a major achievement, resulting in alternative financial schemes involving local mutual funds that have allowed a number of people in rural areas to afford the cost of health care.²¹ Yet, the failure of the government to create a central structure devoted to the development of human resources in the sector and the weakness of management and planning units limits the effectiveness of these organizational developments.
- *Human capacity*: There is an insufficient number of qualified staff, especially in the de-concentrated facilities. According to available data, as of early 2003, only half the health districts had an adequate number of technical staff and in 20 percent of those districts staff had less than one year of experience. About one-third of the districts lacked nurses. In addition, a shortage of qualified financial management staff has contributed to slow rate of absorption of program funds. These shortages reflect institutional and organizational weaknesses in human resource development as noted above as well as the absence of a comprehensive human resources development and management plan.

The Bank's Support in the Health Sector

4.31 The Bank's first lending in the health sector in the early 1980s was for a pair of projects, the Health Development (Projet de Développement Sanitaire–PDS) and the Rural Water Supply projects. The objectives of the PDS, which were consistent with the government's health policy at the time, were to extend primary health care services to the village level and improve the supply and reduce the cost of drugs. The rural water supply project was to work in concert with the PDS to achieve improved health by installing water pumps and wells, and organizing communities to maintain them. According to an earlier OED evaluation report,²² the Rural Water Supply project achieved its objectives. The PSD failed to achieve most of its objectives, but the experience with this project shed light on the promise of community-managed health clinics. It prompted the Bank to spearhead the development of Mali's national health policy and to support the implementation of that policy through the 1991 Health, Population, and Rural Water project (Projet Santé, Population, et Hydraulique Rurale–PSPHR).

4.32 Since 1993, the Bank has supported one project in the health sector—the Health Sector Development Program (HSDP) project. The overall objective of this project is to improve the health outcome of the population, with a focus on meeting the health needs of the underserved segments of the population, and accelerate the country's demographic transition toward slower population growth. The capacity building objective is to strengthen the health system's management capabilities. This project was approved in 1999, became effective in August 2001,

²¹ “Table Ronde Secteur Santé et Développement Social: Contribution des Partenaires Techniques et Financiers,” Document de Synthèse.

²² OED, *The World Bank and the Health Sector in Mali*, (Washington, DC, 1998).

and is still active. Because of its ongoing implementation, there is little information available about its effectiveness. Accordingly, the following assessment of the Bank's support for capacity building to the Mali health sector is based largely on the PSPHR.

4.33 As noted above, the government of Mali opted in 1990 for a comprehensive approach articulating the principles of primary health care, health care cost recovery, decentralization and community involvement. This approach included the adoption of a district health system, involving health care provision based on contracts between community health associations and the state. The Bank provided advice on the design of this strategy, the success of which depended on improved planning and supervision on the district level and on ensuring a reliable supply of low-cost essential drugs. Also, the preparation of the PDDSS and the PRODESS by the government in 1998 was supported by a Bank sector investment program. This sector program was meant to form the framework for increased coordination of donor support (although most donors would continue to provide separate funding). It also aimed at expanding the community health sector, improving hospital efficiency and autonomy, and expanding private health insurance, among other things.²³

4.34 **Relevance.** As reported in an earlier OED evaluation study of the health sector in Mali,²⁴ the Bank's emphasis on meeting the basic health needs of the country's rural population was relevant, and the establishment of community health services was a relevant strategic response to financial and structural constraints prevailing in the sector. The Bank's efforts to improve the supply and affordability of essential drugs also addressed a major constraint to the effectiveness and efficiency of the Mali health system.

4.35 Yet, Bank encouragement of a reduction of personnel in the sector in the early 1990s and the subsequent depletion of human capacity until the mid-1990s limited the relevance of its health sector support for the stated objectives expressed in the PDDSS for the related periods.

4.36 Inadequacies in the design of the initial Bank effort to help Mali reform the pharmaceutical sector also limited the relevance of the Bank support. The Bank misdiagnosed the problem of the *Pharmacie Populaire du Mali* (PPM).²⁵ While the Bank sought to strengthen the PPM's organizational capacity, the real weakness of the PPM lay in its inadequate regulatory and incentive structures—a problem which called for institutional strengthening as a priority. Moreover, the diagnosis of organizational gaps and design of capacity building support was poor. For instance, the design of the Bank's interventions did not adequately address the link between local clinics and traditional health care systems including traditional healers and self-medication. The interventions did not help the government design a clear career structure for the clinics' health professionals, explaining in part the difficulties of the community clinics to attract and retain qualified staff. Nor did they help to design clinics that could be financially self-sustained.

²³ The role of the Bank in the health sector policy in Mali led some donors to express concern that the Bank excessively influenced the policy process and program design in this sector. World Bank, "Balance, Accountability, and Responsiveness. Lessons about Decentralization," (Washington, DC, 1998), paragraph 14.

²⁴ Ibid.

²⁵ OED (1998), paragraph 8.

4.37 *Effectiveness.* Judging by the increase in the share of the population with a health center closer to their residences, the Bank's support for meeting the basic health needs of the country's rural population and the establishment of the community health sector was largely effective. But assessed against the targets of the PRODESS 1998-2003, its effectiveness has been mixed.²⁶ The contrast between the high performance in terms of construction of community clinics and the moderate record in terms of health care provision reflects shortcomings in enhancing human, organizational, and institutional capacity.

4.38 The Bank is acknowledged by government officials and other donors to have spearheaded the mobilization of external resources that have allowed the progress in the health sector. Also, the Bank has promoted a "learning by doing" approach to capacity building by encouraging the government to take the lead role in project and policy preparation.²⁷ Yet, on *organizational capacity*, the project coordination unit of the Bank-funded *Projet Santé, Population, et Hydraulique Rurale* (PSPHR) has blurred responsibilities within the ministry of health, especially in both policy and project implementation.²⁸ On *institutional capacity* enhancement, stakeholders interviewed in Mali criticize the Bank for promoting a health care framework that increasingly circumvents, and thereby weakens, the central government, rather than supporting a scheme of institutional capacity enhancement that would strengthen both local and central actors and improve their interaction. And, as noted above, until 1996 the Bank remained more focused on downsizing than enhancing the capacities of sector personnel.

Public Financial Management

4.39 Since 1993, Mali has recorded notable improvement in public financial management (PFM). Specifically in budget management, Mali has a satisfactory track record in five of seven Bank-Fund indicators of budget preparation; in three of four indicators of budget execution; and in three of four indicators of budget reporting. Also, the government has created internal audit units in the Financial and Administrative Directorates in sector ministries and appointed six additional magistrates in the Supreme Court's department in charge of public finance. It has also introduced new information technologies in the public expenditure system, established programmatic budgets in some sector ministries, developed a Medium Term Expenditure Framework (MTEF), and begun the harmonization of public expenditure frameworks of local and central governments. All of these measures demonstrate capacity enhancement in PFM.

4.40 Still, the challenge facing Mali in this area remains huge. The share of extra-budgetary expenditures based on unsatisfactory invoices amounts to more than three percent of the budget, and a large part of external financing is not integrated in the budget. These practices reflect a continuing lack of adequate transparency. Also, while the government is responsible for the allocation of available resources to areas of priority in the PRSP, it does not use accurate information on foreign development assistance; and the link between resources committed and actual budget expenditures remains weak. There is too much derogation of procedures and

²⁶ This first PRODESS was originally meant to cover the five-year period 1998-2002, but it was subsequently extended to the year 2003 as well.

²⁷ OED (1998).

²⁸ Ibid, paragraph 11.

regulations. The bodies in charge of inspection and control still have important human, organizational, and institutional capacity weaknesses. Budgetary control by parliament remains limited. Also, the Financial and Administrative Directorates in most sector ministries have weak capacities, in part due to frequent turnover of staff. As a result, the knowledge of the fiscal potential is limited, and actual expenditures are often higher than estimated.

4.41 These continuing shortcomings reflect weaknesses in the public sector's human, organizational, and institutional capacities in PFM.

- *Institutional capacity* constraints to better public financial management are even more critical than human and organizational constraints. Virtually all stakeholders interviewed stated that corruption, which undermines public expenditure management, is primarily a political rather than a technical problem that cannot be solved by human and organizational capacity building efforts. The example of the procurement reference guide (*Code de Passation des Marchés Publics et les Règlements Connexes*—CPMPRC) was frequently cited. In Mali, the CPMPRC is known—and has been acknowledged by the Bank—to be appropriate and even exemplary. But corruption in procurement remains widespread.
- There are important gaps in *organizational capacity* as well. While capacity building for better PFM requires harmonizing capacity standards in a whole network of offices, only the Ministry of Finance has benefited significantly from an upgrading of organizational capacities. The DAFs in most sector ministries still have notable weaknesses for reasons cited above, making the information from these ministries poor and not available on a timely basis. While prospects point to a shift in donor assistance from project toward programmatic budget support, there is need to strengthen the means of making this shift work effectively. At present, the Ministry of Planning is in charge of long-term strategic planning, but it has insufficient information on the possibility of financing its plans, while the Ministry of Finance, which has the most information on financing, is barely involved in development planning.
- *Human capacity* gaps remain widespread throughout the bureaucracy. For example, while offices in charge of auditing public expenditure have satisfactory legal frameworks, material and human resources are a key constraint to performance. The underlying causes of the human capacity constraints in PFM are much the same as in other areas, as described above. There is not only a shortage of trained staff in key positions, but also frequent turnover of staff without regard to their qualifications.

The Bank's Support to Public Expenditure Management

4.42 Since the mid-90s, the Bank has undertaken two projects aimed at strengthening capacity in PFM. The first was the Economic Management project, approved in 1996 and the second was the Structural Adjustment project approved in 2002. The general objectives of the Economic Management project were to improve domestic resource mobilization and reduce distortions in the existing income tax system; improve the efficiency, effectiveness and poverty focus of expenditures; and support measures to address gender-based constraints to access to land and credit for women. The project's capacity building objectives were to: (i) strengthen tax

administration and reform tax policy; and (ii) reform the budget process, improve monitoring of expenditure, and restructure public expenditures. The main objectives of the Structural Adjustment Credit were to: (i) restructure the cotton sector to enhance efficiency and restore economic growth; and (ii) reform the public expenditure management to improve efficiency and transparency of budgetary operations and enable more effective poverty reduction. The bulk of the project's capacity building effort is related to the latter objective.

4.43 **Relevance.** Both the Economic Management project and the Structural Adjustment Credit project provide limited information on the relevance of capacity building efforts, since capacity development was mainly an instrumental objective (aimed at easing the achievement of other project objectives) and, therefore, little focus was put on the design of capacity building activities. Nevertheless, the relevance of the capacity building effort can be indirectly assessed by focusing on how this effort contributed to achievement of these projects' objectives. Assessed in this way, findings point to fairly considerable relevance.

4.44 In the Economic Management project, the single tax on consolidated income for large firms, and synthetic tax for small firms and informal sector were effectively introduced, and general income tax was replaced. Also, the revision of the mining code was adopted, even though this happened after major delays. As for the reform of the budget process, the improvement of the monitoring of expenditure, and the restructuring of public expenditures, annual Public Expenditure Reviews were effectively launched, and the Ministry of Finance embarked on an annual analysis of budget execution. The quality of these reviews reportedly improved, and expenditures towards education and health increased.

4.45 Under the Structural Adjustment Credit, the budget preparation process improved, and is now capable of linking public resource allocations to poverty reduction targets. Also, a three-year budget for all sectors has been introduced, MTEFs for health and education prepared, and the efficiency and effectiveness of budget execution reportedly improved, as well as internal and financial audit functions. While the alignment of capacity building efforts with project objectives points to substantial relevance, the diagnosis of capacity needs to make improved PFM sustainable is less adequate.

4.46 **Effectiveness.** Judging by the assessments that have been carried out so far, the two projects effectively improved capacity, especially human and organizational. According to the Economic Management project ICR, this project reportedly strengthened tax administration and reform tax policy. A taxpayer unit was created in the domestic tax department. Staff was trained and computers were installed. Tax auditing was strengthened and audits have become more frequent and better targeted. The customs department was reorganized and internal control was strengthened. Capacity related to the improving the budget process, monitoring expenditures, and restructuring public spending has reportedly been strengthened. A procedural manual for the budget process was prepared. Budget preparation became entirely computerized and staff was trained in the new procedures and equipment. The quality of the Public Expenditure Reviews that were done subsequent to implementation of this project reportedly improved, and more government units were involved in their preparation, suggesting that inter-agency coordination improved within the government. The Structural Adjustment Credit project strengthened the capabilities of the General Accounting Office and the Supreme Court.

4.47 In sum, while the Bank's capacity building support has contributed to enhancing specific technical capacities, it has been far less effective in addressing the fundamental causes of mismanagement, which derive from the way politics interacts with PFM. These limitations raise questions about the Bank's approach in addressing institutional weaknesses in countries where the state is characterized by neo-patrimonialism, and they suggest that the Bank needs to develop a more systemic approach that integrates governance-related efforts with organizational and technical issues in order to leverage greater improvements in public sector performance. At a minimum, such an approach would require the reform strategy in Mali to take into account the insights provided by the previously mentioned report on corruption and other inputs such as the Country Financial Accountability Assessment and Country Procurement Assessment Report.

5. Conclusions

5.1 **The articulation of a capacity building strategy would improve the design of the Bank capacity building interventions.** A key benefit would be the more integrated and better sequenced treatment of needed institutional, organizational, and human resource capacity building measures. Both Mali's education and health sector programs have promoted strategies aimed at strengthening decentralized management of the sector, but in neither case is there a clearly articulated strategy for building the capacity to enable to achieve the intended improvement in decentralized delivery of services.

5.2 **Small changes in many areas within a given sector are more likely to result in capacity building successes than attempts at broad-ranging change.** As the experience in the roads sector suggests, a combination of changes in many areas—involving support for targeted privatization measures, a redefinition of roles in the sector, the balancing of power relations, and creation of adequate built-in mechanisms of accountability through the inclusion of road user representatives on the road authority board—was key to success. The experience also suggests that such efforts need to be preceded by careful diagnosis of power relations as well as technical conditions.

5.3 **More focus on developmental goals in the Bank's interventions in Mali is beneficial to capacity development.** During the period when the Bank was mainly focused on macroeconomic stabilization, the impact of proposed policy reforms undermined the management and development of needed human resources. A well-designed capacity building intervention can result in both size reduction and capacity improvement—as in the roads sector, which experienced both a downsizing of staff and improvements in efficiency and service delivery. This requires an overall strategy that identifies the respective roles of the public and private sectors, where relevant, as the underpinning of a multidimensional capacity building effort.

5.4 **When designing its capacity building interventions, the Bank needs to use a systemic approach.** So far, the Bank has sought to strengthen islands of performance by focusing on a limited number of public sector agencies, especially those most involved in interactions with the Bank, regardless of the dependency of these agencies on the work of other organizations. This has resulted in the creation of bottlenecks, which have eventually impeded performance even in those agencies that the Bank sought to strengthen. At a minimum, the development of a systemic approach requires the Bank to focus on weaknesses in both targeted “islands of performance” and agencies whose activities are directly linked to them.

5.5 **Clearer prioritization among different capacity development measures increase the effectiveness of the Bank's support.** To increase the effectiveness of its capacity building support, the Bank needs to help countries set priorities among reform and capacity building measures, sequence organizational and human resource capacity building measures with needed institutional change, and take into account upstream and downstream linkages among public organizations. Experience suggests that in many instances it would be relatively more appropriate to begin with institutional and organizational changes before focusing on human-capacity-enhancing interventions like training and technical assistance; and to put training activities in a broad human resource development perspective.

5.6 Given the importance of institutional constraints to capacity development in Mali, the Bank needs to improve its treatment of political economy factors in capacity building project appraisal and design. Although some of the Bank's diagnoses of public sector weakness in Mali have clearly identified underlying institutional constraints, its capacity building efforts generally lack an approach consistent with those diagnoses. The Bank's support needs to better reflect which groups are likely to win from reform and capacity building interventions, and those more likely to lose, and the way efforts may be distorted by local politics. This requires taking due account of power relations within organizations and their wider enabling environment, notably by identifying strengths and weaknesses of groups that may champion reform and those that are more likely to resist it; and sequencing measures to deal with obstacles to improved public sector performance, especially those related to the involvement of groups likely to lose from the desired changes.

Annex A: References

- Boesen, N. and O. Therkildsen. (2004). "Between Naivety and Cynism: A Pragmatic Approach to Donor Support for Public Sector Capacity Development." DANIDA, Danish Ministry of Foreign Affairs. June.
- Bourmaud, D. 1997. *La Politique en Afrique*. Paris: Montchrestien.
- Brinkerhoff, D. W. 1994. "Institutional Development in World Bank Projects: Analytical Approaches and Intervention Design." *Public Administration and Development*, vol. 14, 135-151.
- Calipel, S. and M. Donsimoni. 1994. "Stabilization Policy and Political Instability." P. Guillaumont and S. Guillaumont, (eds). Adjustment and Development: The experience of ACP Countries. Paris: Economica.
- Decraene, P. 1980. *Le Mali*. Paris: Presses Universitaires de France.
- European Union Office. 2004. "Experience et Résultats du PRODESS." Bamako.
- Gaudio, A. 1988. *Le Mali*. Paris: Karthala.
- Harris, J. 1998. *Africans and Their History*. New York: Penguin Publishers.
- Hausmann, R., L. Pritchett, and D. Rodrik. 2004. *Growth Accelerations*. Cambridge, MA: Harvard University.
- Herbst, J. 2000. *State and Power in Africa. Comparative Lessons in Authority and Control*. Princeton, NJ: Princeton University Press.
- Hirschman, A.O. 1970. *Exit, Voice and Loyalty*. Cambridge, MA: Harvard University Press.
- Hugon, P. 1993. *L'Economie de l'Afrique, Repères-La Découverte*. Paris.
- Maddison, A. 1995. *The World Economy 1820-1992. Statistics and Analysis*. Paris: OECD.
- Ministry of Economy and Finance and UNDP. 2000. "Diagnostic des Ressources Humaines des Structures de Plannification et de Gestion du Développement au Sein de l'Administration et dans les Collectivités Décentralisées au Mali." Programme de Renforcement des Capacités Nationales pour une Gestion Stratégique du Développement (PRECAGED).
- Ngaruko, F. 2003. "Political Economy of Reform for Service Delivery: The Case for Administrative Decentralization in Africa." *Nordic Journal of African Studies*,

volume 12, No. 2, pp. 134-63.

Operations Evaluation Department. 2003. *Community-Driven Development: Lessons from the Sahel*. Washington, DC: World Bank.

_____. 1999. *Civil Service Reform. A Review of World Bank Assistance*. Report No. 19599. Washington, DC: World Bank.

_____. 1998. *The World Bank and the Health Sector in Mali*. Washington, DC: World Report No. 18112. Bank.

Putnam, R., R. Leonardi, and R. Y. Nanetti. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ: Princeton University Press.

République du Mali. 2004. "Etude d'Identification du Projet d'Appui au Développement Institutionnel. Schéma Global Opérationnel de Mise en Œuvre du PDI." Primature, Ministère Délégué à la Réforme de l'Etat et aux Relations avec les Institutions, and Commissariat au Développement Institutionnel. Report prepared by Gleizal, J.J., K. Sidibe, and D. Fall. Services for Economic, Political and Institutional Assistance (SEPIA). Bamako.

_____. 2002. "Mission d'Expertise sur la Réforme de l'Etat et la Modernisation de la Fonction Publique." Primature et Commissariat au Développement Institutionnel. Rapport Final réalisé par C. Cissoko, P. Bernard, J. Habas, M.A. Touré, and C. Schulze. Bamako.

Schacter, M. 1999. *Capacity Building: A New Way of Doing Business for Development Assistance Organizations*. Policy Brief #6. Institute of Governance (IOG).

Shillington, K. 1995. *History of Africa*. New York: St Martin's Press.

"Table Ronde Secteur Santé et Développement Social: Contribution des Partenaires Techniques et Financiers." Document de Synthèse.

Vallin, J. 1998. "Démographie. Où va l'Afrique?" *Jeune Afrique*, No. 1956.

World Bank. 2004a. "Transport Support to Growth with Equity." Washington, DC.

_____. 2004b. "Bank Assistance for Capacity Building." Operations Policy and Country Services Department. Washington DC.

_____. 2003. "Recommandations Visant a Renforcer le Programme Anti-Corruption." Washington, DC.

_____. 1999a. "Aggregating Governance Indicators." D. Kaufmann, A. Kraay, and P. Zoido-Lobaton. Working Paper 2195. Washington, DC.

- _____. 1999b. "Patterns of Governance in Africa." Brian Levy. Washington, DC.
- _____. 1998. "Balance, Accountability, and Responsiveness. Lessons about Decentralization." Policy Research Working Paper No. 2021. Washington, DC.
- Young, Crawford. 1994. The African Colonial State in Comparative Perspective. New Haven: Yale University Press.

Annex B: List of Documents

A. Projects (FY)

Sectors			
<i>Roads</i>	<i>Education</i>	<i>Health</i>	<i>PFM/PSM</i>
Mali Transport Sector (1994)	Education SECAL (1995) Vocational Education and Training (1996) Improving Learning in Primary Schools (2000) Education Sector Expenditure Program (2001)	Health Sector Development Program (1999)	Economic Management (1996) SAC III (2002)

B. Country Assistance Strategy, Poverty Reduction Strategy Papers and Analytical Reports (FY)

Country Assistance Strategy (CAS)	Poverty Reduction Strategy Papers (PRSP)	Analytical & Other Reports
1995 CAS	Interim PRSP & Assessment Vol. 1 (2001)	Water Management in Roadwork Design in the Sahel (1997)
1998 CAS	Joint Assessment of the Progress of the PRSP Vol. 1 (2002)	Water Management in Roadwork Design in the Sahel, vol. 2 (2003)
2003 CAS	PRSP & Joint IDA-IMF Assessment Vol. 1 (2003)	Transport Sector to Sustainable Economic Growth (2004) Case Studies in Financing Quality Basic Education (1993) Participation in Education (1995) Regional AIDS Strategy for the Sahel (1995) Socio-economic differences in Health, Nutrition & Population in Mali (2000) School Health Situation Analyses (2002) Increasing Clients' Power to Scale Up Health Services to the Poor (2003) HNP Country Status Report (2004) Mali Health Sector Work (2004) Public Expenditure Review (1995) Country Procurement Assessment Report (1998) Country Financial Accountability Assessment (2003) Mali CPAR Update (2004) Country Policies for Poverty Reduction (1993) Review of Policies, Strategies & Programs in Traditional Energy Sector(1993) Country Environmental Strategy Paper (1994) The Use of Spatial Analysis at the World Bank (1998) Local Solutions to Regional Problems (1998) ML Sources of Growth with Equity (2004) MALI-Private Sector Strategy Note (2004)

C. Institutional Development Fund

FY	Fund Name
2001	IDF - MALI: GRANT FOR STRENGTHENING PUBLIC PROCUREMENT CAPACITY
1993	IDF GRANT FOR MALI:GRANT FOR INSTITUTIONAL DEVELOPMENT TO SUPPORT EMPOWERMENT OF WOMEN, CHILDREN AND FAMILY
1997	IDF-MALI GROWTH AND EQUITY

Annex C: Summary of Capacity Building Objectives, Successes and Failures

Project	Capacity Building Category	Objective	Impact Analysis from ICR and OED Team
Improving Learning in Primary Schools	Institution	Decentralize service delivery in the education system	The Ministry of Basic Education created a department responsible for decentralizing the education sector. But decentralization did not take place.
	Organization	Strengthen the Project Coordination Unit's management and implementation capacity	The PCU's management capacities have been put in place and its capacity to manage project implementation increased over time. Staff received training in accounting, procurement, and financial management. The PCU established a financial management system (TOMPRO) for accounting, financial reporting, and auditing that provided IDA and the Government with accurate and timely data. The monitoring and evaluation system (TECPRO) was not put in place since the PCU concentrated on implementation.
Education Sector Adj. Credit	This project was a structural adjustment loan and barely included capacity building objectives.		
Vocational Education & Training	Human Development	Improve the quality and skills of instructors	Overall, while the objectives were for the most part were satisfactory, sustainability is unlikely. Specifically, the outcome in terms of improved skills of instructors was not assessed. But according to the ICR, the Training and Enterprise Support Units were set up to improve the quality and relevance of Vocational Educational and Training instruction and to ensure that instructors knew and understood the labor market and private sector enterprises for which the students are being trained.
	Organization/ Institution	Develop management capacity at central and school levels	The National Department of Technical Education and Vocational Training (DNETP) was strengthened. Institutional capacity was reinforced through capacity building technical assistance. Forty-five hours of training in school administration was organized for 66 personnel and training institutions. Training in strategic planning and management methods were also organized for staff. An enrollment and teaching staff database was developed.

Project	Capacity Building Category	Objective	Impact Analysis from ICR and OED Team
Vocational Education & Training	Institution	Set up a Vocational Training Support Fund	The VTSF was set up in to mobilize resources for financing the training needs of companies. Financing came from professional training tax, contributions from sponsors, credits/loans, gift donations, and others. A Vocational Training Tax was also instituted under the legal framework. VTSF was supposed to finance 90 percent of training expenses for apprentices under 21 years, but there is no evidence that this took place. The ability of the VTSF to conduct and support training for both the formal and informal sector also reflects the institutional development impact. VTSF also involved employers in the training of their employees. This created an informal sector training culture, which did not previously exist.
	Human Development	Skills upgrading and retraining with financing from the Vocational Training Support Fund	Private professional training expanded. The project provided training support for continuing training and apprenticeship. The VTSF supported private and semi-private centers with equipment to improve capacity to respond to demands of labor markets for training and services. Training also took place in the rural areas for about 650 villagers. Professional training involved about 1,000 apprentices.
	Institution	Establish an Employment and Training Observatory (ETO)	The ETO was established in 1996. The ETO restructured into the National Agency for Employment. The ETO had staffing issues, but it carried out its tasks satisfactorily. The ETO became an important reference for publication. The modular approach for training coupled with upgrading of equipment in vocational education and training has impacted current training in a positive way.
	Human Development	Train employment and observatory staff	Initially, the aim was to develop seven training modules to enhance capacity of staff to produce and handle statistical information. But the changing labor market led development of 35 training modules. Staff has the ability to respond to users' information needs and to undertake studies and surveys to meet these needs.

Project	Capacity Building Category	Objective	Impact Analysis from ICR and OED Team
Economic Management	Institution	Strengthen tax administration and reform tax policy and	A taxpayer unit was created in the domestic tax department. Staff was trained and computers installed. Tax auditing was strengthened and audits have become more frequent and better targeted. The customs department was reorganized and internal control was strengthened. The revision of the mining code was adopted after major delays. A single tax on consolidated income for large firms and synthetic tax for small firms/informal sector were introduced, replacing general income tax.
	Institution	Reform the budget process, improve monitoring of expenditure, and restructure public expenditures	A procedural manual was prepared to be used by all staff in the budget process. Budget preparation became entirely computerized and staff has been trained in the new procedures and equipment. Annual PERs were launched. The Ministry of Finance embarked on an annual analysis of budget execution to improve monitoring of expenditure. The quality of these reviews significantly improved over the past two years as more Government units have been involved in PER preparation. Expenditures towards education and health have increased. Six hundred teachers were recruited annually and budget was allocated to maintain school buildings, and resources were allocated to teacher materials.
SAC III	Institution	Reform public expenditures	All planned reforms were fully implemented. The budget preparation process improved, and it is capable of linking public resource allocations to poverty reduction. Authorities introduced a three year budget for all sectors and prepared MTEFs for health and education. The efficiency and effectiveness of public expenditures execution improved. Computer systems were completed, which makes it possible to monitor the different phases of public expenditure from a unified database accessible to the budget, financial control, and treasury departments. Financial transparency and managerial accountability in the use of budget resources were improved. Internal and financial audit functions were strengthened. Budget transparency and accountability were improved by strengthening the capabilities of the General Accounting Office of the Supreme Court.

Annex D: List of Interviews

Secrétaire Général, Ministère de l'Education Nationale	Mr. Barthélémy Togo
Directeur, Ministère de l'Education	Mr. A. Aboubacrine
Ministère de l'Education Nationale (Chef de la Cellule d'Appui à la Décentralisation Déconcentration de l'Education)	Mr. Samba Doucoure
Directeur de la Dette Publique, Ministère des Finances	Mr. A. A. Toure
Directeur Adjoint, DNSI (Direction Nationale de la Statistique et de l'Informatique, Ministère du Plan et de l'Aménagement du Territoire)	Mr. Seydou Traore
Directeur National du Budget, (Ministère de l'Economie et des Finances)	Mr. Abdoulaye Toure
Secrétaire Général, (Ministère de l'Emploi et de la Formation Professionnelle)	Mr. Lamissa Diabate
Directeur National de la Formation Professionnelle (Ministère de l'Emploi et de la Formation Professionnelle)	Mr. Danzié Malle
Directeur National de l'Enseignement Technique et Professionnel	Mr. Daouda Simbara
Chef Section Chargée du Suivi des Fonds d'Origine Extérieure (Directeur Administratif et Financier, Ministère de la Santé)	Mr. Thiécoura Sidibe
Directrice Adjointe Cellule de Planification et de Statistique (Ministère de la Santé)	Mrs. Niagalé Traore
Cellule de Planification et de Statistique (Ministère de la Santé)	Dr. A. Sanguisso
Directeur Cellule de Planification et de Statistique (Ministère de l'Equipement et des Transports)	Mr. Dramane Traore
Coordinateur, Projet Sectoriel des Transports (PST)	Mr. Tiémogo Y. Kone
Directeur (Institut National de Formation de l'Equipement et des Transports or INFET)	Mr. B. Diabakate
Directeur Adjoint, INFET	Mr. Daouda Traore
Chef Département des Travaux Publics, INFET	Mr. M. Yaranangore
Chef Département des Transports, INFET	Mr. O. Maguiraga
Directeur, Institut d'Economie Rurale	Dr. Bino Teme
Directeur	Dr. Lamine Keita
Centre d'Analyse et de Formulation de Politiques de Développement (CAFPD)	
Coordinateur National (Programme de Renforcement des Capacités Nationales pour une Gestion Stratégique du Développement or PRECAGED)	Mr. Mohamed Diallo
Coordinateur, Cellule Technique du CSLP (coordonnées révisées)	Mr. Sékouba Diarra
Coordinateur, Projet d'Appui à la Bonne Gouvernance (PABG)	Mr. Amadou Diarra
Secrétaire Exécutive (Coordination des Associations et ONG Féminines du Mali or CAFO)	Mrs. O. T. Traore

Conseiller, Union Européenne	Mrs. Vania Bonalberti
Conseiller, Union Européenne	Mr. Géza Strammer
Economiste, Chargée du Programme Appui Budgétaire, (Union Européenne)	Mrs. Khadidjatou Tall
Chargée de Programme Santé, Union Européenne	Mrs. M.G. Carrascosa
Chargé de Mission, Agence Française de Développement (AFD)	Mr. Lucien Humbert
Chargee d'Etudes, AFD	Mrs. Jenifer Cheruel
Chef de Service de Cooperation et d'Action Culturelle (Ambassade de France)	Mr. Jean-Claude Piet
Adjoint au Chef du Service de Coopération et d'Action Culturelle (Economie et Développement Industriel, Ambassade de France)	Mr. Etienne Leandre
Cheffe de Projet, Coopération Suisse (Programme d'Appui à la Formation par Apprentissage pour l'Artisanat)	Mrs. Tania Haidara
Economiste – Planificateur, Volontaire des Nations Unies, (Responsable de Formation PRECAGED)	Dr. D. Silete-Adogli
Economiste, UNDP country Office, Bamako – Mali	Mr. Karounga Keita
Chef Economiste, UNDP Mali Office	Mr. Barri
Mali Country Director, World Bank	Mr. David Craig
Mali Country Manager, World Bank	Mrs. Judith Press
Senior Operations Officer, Mali Country Office, World Bank	Mr. F. S. Bouare
Former Manager, Africa Region, World Bank (Public Sector Management & Capacity Building Unit)	Mr Brian Levy