

Mali: Patterns and Limits of Donor-Driven Ownership

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Since 1999, Mali has become a laboratory for the implementation of the Paris declaration in West francophone Africa. Recipient ownership, although very much wanted, is very weak. Some donors working in Mali describe it as an example of ‘donor-driven ownership’, meaning that there are few signs of genuine policy ownership and that the government lacks both the ‘capacity’ and ‘political will’ to pursue development goals and take the lead in the aid relationship. This chapter argues that as donors’ influence over policy has increased, the government’s capacity and will to take the lead in managing aid have decreased. Indeed, if the current political situation seems characterised by a certain degree of inertia, a lack of development strategy, weak capacities, and compliance with donors, it can only be understood as the result of several decades of aid dependence, the weakening of the state, and donor entanglement in national institutions.

The chapter is divided into three parts. The first part aims to understand why recipient ownership seems scarce by analysing the country’s political economy since independence in 1960 and its political system since democratisation in 1991. The second part assesses the impacts of recent aid reforms on the possibility for recipient ownership and a more balanced donor-recipient relationship. The last part of the chapter examines the conditions and potential for ownership by the Malian government by looking at specific instances of policymaking. This chapter is based on research carried out in Bamako, Mali’s capital, from February to April and from October to December 2007, during which time the author was an intern in the government’s PRSP unit. It draws on participant observation, interviews with civil servants and donor agency staff as well as official documents.

Symptoms and origins of weak ownership

As in many African countries, the Malian state was built in an extroverted manner (Bayart 2000: 234). Since independence, the development strategies that have guided the country’s policies were largely inspired, imported, or imposed from the outside. Mali was never a priority for France in its empire because it was landlocked and did not have many natural resources to exploit. It was only late (after 1929) that France set up the minimal infrastructure necessary to extract the country’s agricultural resources (Diarrah 1986: 100). As France started to give more autonomy to its colonies, Mali created a pan-African federation with Senegal in 1959, as a way to emancipate from France, to enhance regional power, and to provide access to the sea. The federation ended in August 1960 due to political disagreements

between the two countries' leaders. Mali unilaterally claimed its independence from France in 1960, choosing not to be part of the new French African union. The first independent government had a very strong conception of its national sovereignty and opted, with only one other former French colony, Guinea, for an independent path. In particular, the independent government refused to enter the CFA franc zone, creating instead the Malian franc, and French military bases in the country were evacuated. The ruling party led by Modibo Keita set up a model of 'rural socialism' as a strategy of gaining economic independence from the former colonial ruler (GEMDEV 2005). However, in the midst of Cold War politics, it quickly put the country under the supervision of the USSR and China, which provided economic loans.

Although President Keita was partially successful regarding the economic decolonisation of the country, rural socialism was a failure. Domestic resources needed to finance development plans were insufficient; it was difficult to adapt the Soviet-style economic model to a poor and uneducated rural population; and France sabotaged the initiative (Traoré 1999). As a result, social resistance grew, which in turn triggered the emergence of a repressive regime. Agricultural production decreased, exports dropped, and the Malian Franc was devalued in 1967. After this failure, state-led planning and independence from Western powers were discredited as viable options for the country.

In November 1968, some military leaders and the radical faction of the ruling party organised a *coup d'état*, which was followed by twenty-five years of military rule. The new regime declared that its goal was to liberalise the economy. The regime gained new sources of external financing, including aid from the US and the World Bank, and France made a clear comeback in the country's economic and political life.

However, Traoré's military regime failed to end the centralised planning system, producing a hybrid economic system that contradicted its original intent. More importantly, it did not manage state resources effectively. Political repression and clientelism increased, making development a low priority for an increasingly patrimonial regime. At the beginning of the 1980s, the Malian state found itself in an economic crisis: debt increased and state-run enterprises accumulated huge deficits.

In this context, structural adjustment programs were perceived as inevitable and as a necessity. Mali entered the 'zone franc' in 1984, two years after the first stabilization program began. This led to increased social discontent, to which the regime responded with more repressive measures. Structural adjustment was crucial to the fall of the military regime, both because it reduced the resources that powered the clientelist political system and because it fostered demands for democratisation (Baudais 2006). It also led, as in many other African countries, to the progressive retreat of the state from the economy.

In 1991, anti-government protests by a broad cross-section of society were followed by a *coup* organized by General Amadou Toumani. Democratic elections were organised after a national conference held in July and August 1991.² Alpha Oumar Konaré, the head of the anti-military alliance created in 1990 (*Alliance pour la Démocratie au Mali*, ADEMA), was elected President in 1992 and ruled the country for ten years.

In the post-Cold War ideological context, state-led development policies were almost impossible to sustain for a country with few internal resources. People's demands and expectations towards democracy were huge, but the newly elected government was very fragile and challenged by former Traoré supporters. Under President Konaré, the emergence of a national development vision was complicated by political turmoil and the government's lack of legitimacy, which reached its paroxysm in 1997 when the opposition boycotted the elections (Idrissa & Villalon 2005). Konaré's vision was dominated by a major political reform—decentralisation—which is probably the biggest output of Konaré's two electoral mandates. Above all, the country's mode of integration into the global economy called for pragmatism and humility. The 1994 devaluation of the CFA franc reduced the population's incomes drastically. President Konaré, an intellectual and a historian, was committed to development but had little economic vision, while the involvement of the World Bank and IMF increased through structural adjustment lending and economic policy became dominated by their demands. The economy was liberalised while the role of the State decreased. Twenty-five state-owned enterprises were privatised or closed down during this period, despite resistance within the dominant party (ADEMA) and the civil service and harsh negotiations with donors.

Emergence of a consensus-driven political system

General Touré was elected President in 2002. His legitimacy and popularity was built mainly on his participation in the 1991 coup, in which he played a key role but immediately handed power over to civilians – a rare fact in Africa, for which President Touré is often referred to as ‘the soldier of democracy’. His political base was not built through a political party, but he progressively gathered a popular movement (*Mouvement Citoyen*) at a moment when ADEMA was struggling to ensure President Konaré’s succession. The 2002 presidential election was marred by confusion in vote counting, and Touré was declared President by the Constitutional Court, although the poll results allegedly ranked him second or third. Other presidential candidates, including the incumbent ADEMA candidate, decided not to protest the result because they sought to be part of the new government (Baudais & Chauzal 2006).

The subsequent legislative elections did not result in a clear majority for the ruling party, so President Touré initiated a consensual form of political rule based on an oversized coalition, in which the main political parties and other representative organizations in society share executive power (Lijphart 1984: 46). In Mali, it included some of the ruling party’s opponents, former military figures, some independent political personalities, trade unions and business associations.

The links between aid management and domestic politics are very strong. Firstly, the emergence of a nationally owned development policy must be understood in the country’s political context: Mali is a young democracy, in which political parties have fragmented and multiplied based on personalities, with no clear political programs or ideological affinities. Political parties and personalities are often not able to assess (and contest) the government’s policies and decisions and are unaware of agreements made with donors. President Touré himself is a former military leader and has no global and coherent development strategy.

Secondly, the consensual mode of power has eradicated opposition. President Touré has made alliances with almost all political parties, and no party is willing to be in opposition for fear of marginalisation (Baudais & Chauzal 2006: 79). The political opposition that exists is outside the system, and it is not organised to present alternatives to the government’s agenda. Only deputy Oumar Mariko, former leader of the student movement against the military regime, and his far-left party *Solidarité africaine pour la démocratie et l'indépendance* (SADI), is an

opponent to President Touré. Political debate and decision-making are limited to a very small group of influential people, and the National Assembly plays only a minimal role (Djiré & Keita 2004). This makes public debate over development policy and choices almost non-existent. Most of President Touré's opponents during the 2007 presidential election had participated in his previous governments and thus did not offer real alternatives to his policy. The alliance behind President Touré is based on sharing power. This system ensures the monopolisation of access to state resources, and the distribution of resources through informal and personal channels of patronage. For Ousmane Sy, Mali since 2002 is in a situation of 'unanimism', which has made political debate impossible. The consensus system, whatever it is, has not produced strong support for a common development vision and strategy.

Thirdly, President Touré's 'consensus' has increasingly politicised the civil service while diminishing its performance. Consensus requires a strong political base that President Touré, who does not belong to a party, does not have. So far, the Prime Minister has not been able to provide that base and ensure coherence within the government, which led the government and the administration to become a 'battle field' with no common rules, vision and goals (Macalou-Berthe 2007).³

The current government does not have an alternative vision to that produced by donors and, to a certain extent, does not seem to be willing to develop one. Instead, the government has adopted a strategy of compliance vis-à-vis donors. This strategy, which is based on fragile public policies and an international promotion of Mali as a well-governed democracy, is clearly aimed at maximising aid flowing into the country by maintaining the *status quo* and giving donors the minimal signals of commitment. One key informant in Mali concludes that 'leaders in this country want assistance, not ownership, because ownership means responsibility, transparency, accountability, and even possibly sanctions'. In the short-run, this strategy of compliance seems quite efficient in getting increased donor attention and aid flows. The country benefited from the Multilateral Debt Relief Initiative and was selected to benefit from the US Millennium Challenge Account. This strategy gives President Touré the means to ensure stability and sustainability of the political system, which his internal legitimacy and political vision alone could not guarantee. However, the political sustainability of this strategy in the long term remains uncertain, as criticism of the political system grows among intellectuals and journalists, and local NGOs ask for better living conditions. Although the international community initially strongly supported the consensus political system as a

guarantee for stability in a country located in a troubled region and a good basis for implanting economic reform by the international community (Chauzal 2006), donor staff inside the country increasingly question the system which they see as corrupt and apathetic.

Touré was re-elected President in April 2007 without a party affiliation but with the support of 43 political formations, including ADEMA. Like every poll since 1992, the campaign process was marked by technical irregularities (mostly problems of registration, access to polls and vote counting), the absence of real opponents (due to the 'consensus' system), and massive use of state resources by Toure for his campaign. After the 2007 election, parties refused to join Touré's coalition system again, making the future of the 'consensus' uncertain.

Characteristics of aid dependence

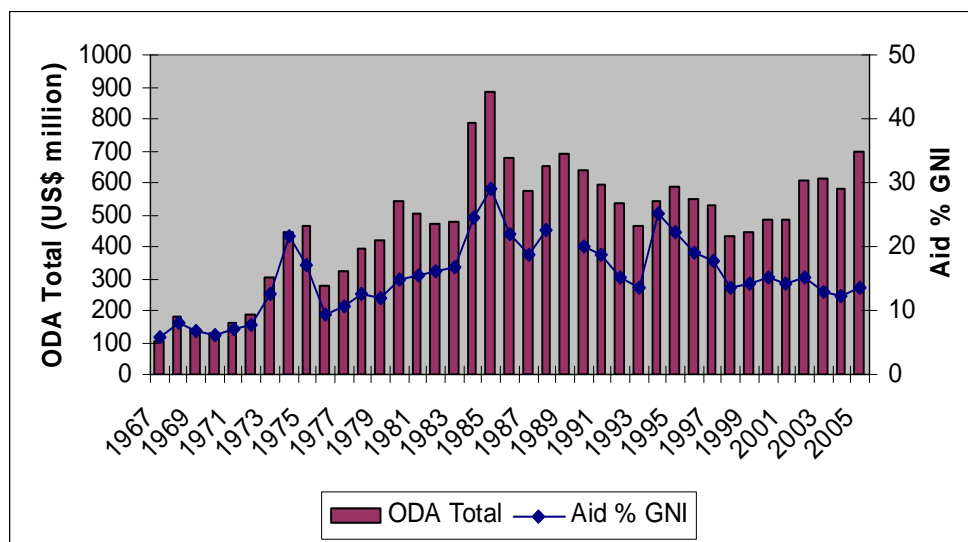
The characteristics of Mali's political system that obstruct the emergence of recipient ownership cannot be separated from the dynamics produced by donor agencies and the provision of aid. First, structural adjustment programmes have had negative effects on all aspects of the civil service. Between 1987 and 1989, one out of five Malian civil servants (about 10,000 people) was fired or had to retire (Banque Mondiale/ République du Mali 2006: 19-20). For many years, employment of civil servants was limited to 250 agents per year. Civil service jobs became precarious, and the general level and capacity of human resources decreased. Today, most civil servants are ageing and weakly motivated. The government is incapable of raising salaries in the civil service because of its agreements with the IMF which limit the portion of the national budget going to public salaries. Structural adjustment has also weakened national planning capacities. As a former director at the Ministry of Planning recalls, 'Instead of being extended to all ministries, the planning departments (*Directions de la Planification et de la Statistique*) that used to exist and were very efficient in key ministries such as agriculture, health and education, were completely dismantled in 1989.' The country was left with little capacity to design and implement development policies. The persistent lack of viable statistics has led to a situation where people talk a lot about poverty, but in fact know very little about its origins and permutations, which allows donors to impose their numerous priorities.

Secondly, economic dependence tends to turn into aid dependence. The country's economy faces serious structural constraints. Agriculture accounts for 40 percent of GDP, making the

country vulnerable to climatic conditions and international agriculture prices. Economic performance is dependent on ports in neighbouring countries. Growth has been sustained over the past years—increasing from an average growth rate of 3.1 percent between 1960 and 1996 to 5.7 percent between 1995 and 2000 and 5.2 percent between 2002 and 2005—but has had little impact on reducing poverty. One major source of wealth for the country over this time has been remittances from migrants, but these are difficult to integrate into a national strategy, even after the creation of a Ministry for ‘the Malians living abroad and in the African Union’.

Consequently, the government is dependent on external assistance. There are about forty bilateral and multilateral donors in Mali, the biggest of which are the European Commission, the World Bank, France, and then the Netherlands, Japan, the United States, the African Development Bank, Canada and Germany. Donors’ contributions account for a large share of the country’s total budget. Between 1996 and 2005, aid represented three quarters of the country’s Investment Special Budget and 27.6 percent of the state’s general budget in average. Figure 8.1 illustrates trends in aid flows over a longer period, from 1967 to 2005. Aid volumes peaked in the 1980s and have since then levelled off, with total ODA averaging \$578 million between 2000 and 2005. Aid as a percentage of GNI is now lower than it was in the 1990s, averaging 13.8 percent between 2000 and 2005. In a context of greater aid selectivity at the international level, the government has an interest in accepting all kinds of aid. Some civil servants fear losing some existing and potential aid funds to Cote d’Ivoire, when that country becomes more politically stable.

Figure 8.1 Trends in Aid Flows, 1967-2005



Source: OECD DAC statistics and World Development Indicators April 2007. Aid as a percentage of GNI is only available from 1967, and there is no data given for 1989.

Thirdly, a mentality of dependence on aid and behaviour which accompanies this seems to have developed progressively in the country, limiting Mali's ability to come up with nationally-owned alternatives. Since independence, in a condition of extroversion, material incapacity, and the external imposition of economic remedies, political leaders and civil servants have lost the habit, capacity, and incentives to devise and implement their own policies. It seems that since the mid-1980s, Malian authorities have delegated the formulation of their development strategy to the World Bank and IMF. Many long-serving civil servants regret that the discourse in the immediate post-independence period regarding aid and donors—where aid was conceived as a transitory 'self-help' tool—has totally faded in the country. Indeed, the importance of aid in the country's financial position and the influence of donors in the decision-making process have become banal. Over time, an implicit division of labour between donors and the government has emerged:

Bilateral donors, the World Bank and specialized UN agencies elaborate and finance projects and programmes, and the IMF controls public finances. As far as the Malians are concerned, their role is limited to trying to maximize external aid by accepting all that is being offered (Dante et al. 2002: 248).

Aid is not a mere financial and technical tool to support national initiatives, but rather it has replaced national political reflection on development.

Reforming aid: the way towards greater recipient ownership?

The new aid agenda was introduced to Mali in 1999 when the country was chosen as a case study for an OECD/UNDP report on aid effectiveness. The three main aspects of aid reform include changes in the aid management system, the introduction of Poverty Reduction Strategic Papers, and the introduction of new aid modalities. We argue that the whole debate over aid modalities occurs in the context of a fragmented aid management system and that this hampers the government's negotiating strength, that there are limits to ownership as introduced by the PRSP, and that the introduction of new aid modalities will not be enough to reverse the long-term trends just described. Moving beyond the debate over technical modalities of aid, we question the nature of the 'policy dialogue' that has developed between the government and donors and assess the impact of donor 'capacity-building' activities.

Persisting fragmentation in the aid management system

On paper, aid management and coordination are ensured by three different government structures. The Ministry of Foreign Affairs and International Cooperation is in charge of approving all cooperation agreements, as well as the management of the European Development Fund; the Ministry of Economy and Finance is in charge of budget support, public spending, and public debt management; and the Planning Ministry is in charge of managing the Special Investment Budget. In practice, tasks are dispersed widely and the division of labour between institutions is vague. In addition to these three ministries, line ministries mostly negotiate projects and programs directly with donors. Inter-ministerial coordination is insufficient: some sectors or activities are over-financed at the expense of others, with no overall coherence. This lack of coherence does not encourage policy prioritization and hinders the government's ability to refuse unacceptable or unrealistic conditions (OCDE 2001: 19). A government report states:

The development institutional organisation contains some factors of confusion and conflict that hamper aid management....More generally, this illustrates...severe lacks of coherence that translate into a dispersion in decision-making poles, insufficient coordination and an exaggerated involvement of donors in the determination of the country's economic choices (République du Mali 2005: 21).

Donors have easy access into the heart of decision-making and can bypass normal procedures in order to have their priorities accepted. When a donor cannot reach an agreement with one civil servant about a project or a programme, that donor often bypasses traditional channels and negotiates directly with the Minister, or even the President. Eventually, whether the Minister decides to support a director in a ministry or to align himself with the donor's views depends mostly on the circumstances, the existence of a clear national strategy or framework in the sector, the pressure exerted by the beneficiary population to receive funding, and the personality of the Minister.

Reforms instituted since 1999 have been unable to make the country's aid management system stronger or more coherent. Donors now push for the Ministry of Economy and Finance to become the 'unique entry point' for aid, mostly in order to make their own tasks easier by improving timing and effectiveness in decision-making. So far, this has not occurred. Line ministries and the Ministry of Foreign Affairs are very reluctant to relinquish

control over certain aspects of aid management. The current fragmented system with multiple entries for aid enables different ministries to maximise aid flows. The interests of each ministry in negotiating aid separately have become so important over time that choosing a unique entry point for aid is politically sensitive.

A Secretariat for aid efficiency is now being put in place. Still an informal and politically weak structure with vague mandates, it brings together civil servants from various ministries. Some civil servants hope it will put an end to institutional fragmentation and strengthen the government's position towards donors, but this seems very unlikely. First of all, the establishment of the Secretariat was primarily supported by donors, rather than being an initiative of the government. Drafting an action plan for the implementation of the Paris Declaration is an OECD requirement, and in Mali, it was originally an idea from the French ambassador. Secondly, the process through which the Secretariat drafted an action plan is illustrative of the problems it faces. Getting all the ministries involved was difficult because of work overload as well as institutional and personal rivalries, while donor involvement in the drafting of this national document was very strong from the beginning. The document was compiled by the French technical assistant in the PRSP unit and was circulated amongst several donors for comments and approval. At the joint donor-recipient meeting on the action plan in March 2007, two donor agency staff criticized the action plan, particularly stating that the government's expectations of donor commitments was too weak. These donor staff members were Africans (one Malian, one non-Malian), who were in a way blaming their African colleagues for being passive in the aid relationship. Civil servants responded timidly and asked the two challengers to draft the part on donor commitments in the action plan. Even though these donor staff wanted the civil servants to take a strong position, they, being members of donor agencies, could not follow their own advice and write strong commitments into the document. As a result, the final draft was not very constraining for donors.

This document was adopted by the Council of Ministers in April 2007, which is a sign of great political commitment, but has nothing of a pro-active strategy for managing aid and donors. The reasons for this are difficult to grasp. Some civil servants involved felt a certain duty to be 'polite' towards donors, which implied an obligation to include them in the formulation process and not being too demanding towards them. Hence, a certain degree of self-censorship might be part of the explanation. Another possible explanation might be that the Secretariat did not see this donor-driven and highly technical initiative—the Paris

declaration and its by-products—as an arena in which to put forward their demands. Therefore, the reform of aid takes place within a very fragmented system, and new aid instruments often add to the old ones without solving the systemic problems traditionally associated with aid dependence.

The PRSP, ownership and the limits to donor-government consensus

The PRSP is the cornerstone of the new aid paradigm to the extent that it is considered as the main vector of recipient country ownership. The Malian government adopted its first PRSP in May 2002. The government already had a poverty reduction plan, the *Stratégie Nationale de Lutte contre la Pauvreté* (SNLP), but the World Bank and IMF did not accept it as a basis for the PRSP, arguing that its poverty and macro-economic analysis were weak. This resulted in a conflict between the Bretton Woods institutions, the government and the United Nations Development Programme, which had supported the drafting of the SNLP. It also cast doubt on the World Bank's will to let Malian authorities have ownership of the PRSP (Dante et al. 2003). Eventually, a compromise was found: the Bretton Woods institutions accepted the SNLP to be *one* of the main bases for devising the PRSP. The team that had drafted the SNLP was in charge of drafting the PRSP and tensions were reduced.

The second PRSP was adopted in December 2006, with not much change in the process or content between the first and second PRSP. The second PRSP appears as a catalogue of poverty-reduction policies with no prioritisation. This can be traced to the intervention of line ministries, donors (who wanted to see their own priorities included), and the massive but somewhat disorganized participation of civil society. The first PRSP review had not been completed at the time when the second PRSP was drafted, as both donors and the President refused to allow a pause between the two documents one year before the presidential elections. The document was adopted by the Council of Ministers despite its weaknesses, but the National Assembly was not consulted and local communities were informed about the contents of the PRSP after its adoption.

Some civil servants involved in the PRSP process appreciated the fact that the drafting of the PRSP gave them the opportunity to debate the country's overall development strategy. In particular, the fact that they themselves wrote the document made a big difference to them. But World Bank and IMF supervision was strong, and the document's content is not very

different from previous structural adjustment policy recommendations. Donor involvement in the PRSP process was very strong at all stages, particularly in budgetary and macroeconomic issues. If they did not attend formal meetings, donors would send comments directly to the Ministry of Economy and Finance, where they were sure that their voice would be heard.

The PRSP Unit has benefited from increased financial, material, and human resources. It has expanded from a few civil servants to thirty people, with better working conditions and salaries. But it still lacks the necessary resources to ensure its planning function. The PRSP Unit has no macroeconomist and does hardly anything more than reply to donor demands concerning PRSP follow-up and daily monitoring. The two Malian macroeconomists in Mali with the most knowledge and experience work for multilateral donor agencies (the IMF and UNDP), in order to have better working conditions. Therefore, they do analysis for donors and not the government. The Ministry of Economy and Finance, to which the PRSP Unit was attached until November 2007, has no capacity to undertake such tasks either. There are only five technical advisors in the Ministry. The personnel are busy hosting donor missions about 200 days per year, which leaves them little time to focus on their real tasks.⁴ Most of them are accountants and financial controllers with little understanding of macroeconomic dynamics and models. Therefore, the country's macroeconomic and budgetary frameworks are mostly inspired by models provided by international institutions. Due to strict deadlines, the economic growth model of the second PRSP was developed in close collaboration with a consultant hired by the German cooperation agency. Civil servants see this model as a 'black box': they do not know what is in it or how it works.

Concerning the development strategy, the second PRSP (2006-2011) focuses on three main areas: productive sectors and infrastructure; the pursuit of structural reforms and strengthened social sectors. The second PRSP shifted priorities more towards growth, which is a common feature across African countries. It is difficult to discern whether it reflects a change in World Bank doctrine based on empirical evidence (and an implicit recognition that poverty reduction and its related focus on social sectors in recent years were not enough to reduce poverty) or a strong claim made by several African governments to the World Bank. The reality is probably a mix between the two. What is clear, however, is that the government of Mali increasingly expressed the will to foster growth and employment, even if it often fails to come up with clear policy measures. The second PRSP and the re-election of Touré in 2007 have produced a new dynamic in favour of growth at the level of the President and the Prime Minister.

The PRSP is the cornerstone of a technocratic process nourished by donor demands and increasingly disconnected from domestic politics. Indeed, President Touré refused to endorse the first PRSP because it was adopted at the end of President Konaré's mandate. The second PRSP was elaborated in 2006, but for the 2007 election campaign, the President asserted his own development plan, *Programme pour le Développement Economique et Social 2007-2012* (PDES). Since then, it is the only strategy he publicly refers to, and the only one he accounts for. It seems that the PRSP has no political legitimacy but is merely designed to mobilise aid flows.

Can the PDES be interpreted as a signal sent to the international community and an attempt to assert autonomy vis-à-vis policies negotiated with donors? To a certain extent it can, and the fact that donors were highly uncomfortable with this document is a proof of this. The PDES created great confusion about what should be considered *the* national development policy, and in early 2007, donors asked the government to clarify the links between the PRSP and the PDES. The PDES was allegedly elaborated by two close advisors to the President in late 2006 and early 2007, and it is clearly inspired by the second PRSP, to which it constantly refers. Therefore, we can say that President Touré refused to run the presidential campaign with the PRSP, an instrument seen as technocratic and oriented towards the outside by the administration. The PDES is therefore a political version of the second PRSP, better able to appeal to the majority of the population (which cannot read and write), and to suit the President's political goals and promises.

After Touré won the presidential election, and with the Round Table with donors to be held in early 2008, the government made great efforts to comfort donors and explain to them that 'the PDES borrows from, and converges with, the PRSP'. Thus, the PDES is not fully a strategy meant to assert autonomy *vis-à-vis* donors, but rather reflects the necessity of an African President to have a national political programme that differs from the PRSP for domestic elections (as was also the case in Benin). To a great extent, it also reflects the absence of government alternatives to policies negotiated with donors rather than true 'ownership' of the second PRSP.

On the other hand, the President's and Government's priorities, exposed in the PDES and subsequent policy documents (the *lettre de cadrage* addressed to the Prime Minister in November 2007 and the *document de politique générale* presented by the government to the

National Assembly in December 2007) are slightly different from the second PRSP in nature, ranking and content. If the government does not have a national development strategy to lead aid negotiations and coordinate donors, the government does have some priorities and preferences that stand apart from the set of policies agreed upon with donors. The first of these relates to territorial integrity and national security. Security in Northern Mali and the modernisation of the national defence and security systems are mentioned in the PDES and *document de politique générale*, but do not appear in the second PRSP.⁵ If donors see development as the key to peace in the North, the government seems to believe that security and a political solution to the problem is the pre-condition for development projects. Donors providing general budget support are reluctant to finance military spending.

Secondly, the *document de politique générale* claims that the government wants to go 'beyond poverty reduction' (which is the PRSP's goal) in its ambition to foster growth (with an objective of 7 percent per year) and to make Mali an 'emerging country'. Agriculture is considered the key to food security and development. Job-creation is also a high priority for the President, and he plans to create 50 000 jobs in the public sector during his mandate. In education, an a priori consensual social sector, disagreement emerges between donors and the government: if donor intervention has focused on 'basic education for all' in recent years (France is the only donor to have aid programmes in higher education), the government insists in the *document de politique générale* on improving higher education, especially the University of Bamako. In this document, the private sector is presented as a priority, as in the PRSP, but it has to go hand in hand with 'a positive reassessment of the role of the state in the economy'. However, little detail about how this should happen in practice is given. The government plans to adopt a policy for the private sector in early 2008 and specifies that 'all actors, including professional associations, businessmen, institutions and donors will be involved' in its drafting.

In any case, the PRSP and other government documents share common weaknesses concerning prioritisation, implementation, budgeting, and growth creation. Surely, potential differences between them and specific government preferences will emerge during policy implementation.

New aid modalities

In addition to the PRSP, other aid modalities have been introduced recently with the intention of contributing to aid harmonisation and alignment. In assessing if and how these new aid modalities have achieved the goals announced by donors, we examine two of them: the sector-wide approach in the health sector and general budget support.

Together with education, the health sector is considered to be the most advanced with respect to aid harmonisation. The *Programme de Développement Sanitaire et Social* (PRODESS) is a sector-wide approach established in 1999 as a World Bank initiative. A sector-wide approach is a mechanism where funding to a particular ministry supports a single policy and expenditure programme under the government's leadership and using common financial management procedures. This approach is supposed to put an end to aid fragmentation and the bypassing of national structures and strategies, limit the burden on recipient administration and contribute to greater ownership.

Improvements towards alignment have been achieved under PRODESS. All donors providing funding for health must integrate their actions into the PRODESS framework, which guarantees better coherence and coordination of activities. PRODESS is piloted by the Ministry of Health, and has become the common reference and unique framework for recipient policy and donor intervention in the sector. However, donor alignment on the national framework has important limits, and SWAP does not seem to bring answers to all the previous problems. There are thirty donors in the health sector, and they still use various modalities to deliver their funds. This means that parallel modalities and procedures still bypass national ones despite the existence of PRODESS and still represent a burden for those involved with the public health sector because it implies differentiated follow up mechanisms and evaluation missions. Agenda setting is still dominated by donors and their program and project initiatives. Sometimes donors still bypass the normal institutional framework when their individual interests or priorities are at stake. The most obvious case for this is HIV/AIDS, which is a donor—and not a government—priority. Despite the existence of PRODESS, a vertical fund for HIV/AIDS and malaria was set up with parallel implementation units.

Furthermore, public officials still find it hard to set priorities and select relevant projects. The low level of human resources and lack of statistics leads to weak knowledge of what is going on in terms of health issues and thus makes it hard to formulate a clear policy vision and successfully negotiate with donors. The multiplication of projects and aid modalities within the PRODESS framework, as well as the complexity and number of donor demands in terms of control, procedures and project evaluation prevent the personnel within the Ministry of Health from focusing on the actual needs and problems facing the sector. Last but not least, there is great risk posed in technocratising the system by focusing on the process (aid harmonisation) at the expense of results (access to good health services), for which donors bear great responsibility (Dujardin & Paul 2006). In concluding, improvements have been made in terms of policy coherence, but SWAP is far from being a panacea for promoting government ownership and donor alignment. It is a loose common framework, not a rigid structure firmly led by the government on which donors are compelled to align.

Another important tool for implementing the Paris agenda is general budget support. A Memorandum of Understanding was signed between the Malian government and donors in March 2006. Eight donors are providing general budget support, which accounts for about 10 percent of total aid. Because it goes directly to the national budget, it is supposed to translate into government ownership and donor alignment. However, the introduction of general budget support requires the government to open up the budget process to donors, which is in clear contradiction with greater government autonomy in policy-making. General budget support extends the right of donors to examine the recipient's overall policy framework, whereas under project or program aid, this right was limited to one project, one policy or one sector. With budget support, donor participation in decision-making arenas is taken for granted, as witnessed by the director of the national budget call for donors to 'get involved in the budgetary process at the central, decentralised and sector level'.⁶

Therefore, the burning issue within the Malian government today is when and how government authorities should let donors know what their budget priorities are. The budget formulation process runs from April to October. Donors would like to intervene early in the process, in order to control choices made with regards to public spending. Some civil servants are very eager to receive larger amounts of budget support, and feel that they will be able to keep control of the national budgetary process, in part because most donor representatives do not have the necessary skills (in public finance management and public

expense system) to engage in budget discussions. However, some others express the need to define priorities before donor involvement to preserve a minimum degree of autonomy. Therefore, general budget support is not simply a new aid modality. Donors see budget support as a great opportunity to reform the recipient's public finance management system, public expense system and civil service. While the efficiency of this top-down approach to state-building can be questioned, for the Malian government it provokes the question of state sovereignty, and in particular budgetary sovereignty. In a country where monetary policy is delegated to the *Banque Centrale des Etats de l'Afrique de l'Ouest*, abandoning parts of budgetary sovereignty is highly controversial.

Donor-recipient policy dialogue

Donors now negotiate with the government over its budgeted spending priorities and their implications. In this context, donors claim to need increased 'policy dialogue' with the government and often feel frustrated not to be given answers to their numerous questions. With the implementation of new aid modalities, one can observe a multiplication of forums between donors and the Malian government. As a result, there is little evidence of a significant reduction in transaction costs and interactions with donors for the government, at least for the moment. New aid modalities have so far not provided the government with increased time and space to identify its own policies, and aid management tasks still take a large share of civil servants' time. Many people within the government as well as donor agencies point to the risk of devoting too much attention to aid delivery procedures and modalities, at the expense of deeper reflection on the development process: for example, how to foster growth and how could the country could benefit from globalisation. Many also believe that there is a risk of these donor-government forums dominating policy debate, at the expense of the dialogue between the State and political organisations on one hand, and between the central and decentralized levels of the State on the other hand.

In theory, donor-recipient policy dialogue mostly occurs at the Joint Commission (*Commission Mixte*), which was set up in 1998 to oversee aid reform and which is co-headed by the Ministry of Economy and Finance and the lead donor. However, since its establishment, the Commission has not been able to play this role fully, due to ministerial reshuffles, the absence of ministers absorbed by other urgent issues, and institutional and political blockages. But more fundamentally, the Joint Commission, sector-level meetings,

and the government-donors Round Table have become mere formal meetings where decisions taken elsewhere are officially endorsed. Problems between donors and ministries are solved on a daily basis through direct communication. This means that donor involvement in the policy-making process is constant and increasingly informal.

However, civil servants remain frustrated by the nature of the policy dialogue that has developed. They underline the power asymmetry, donor impatience and intransigence, and multiple conditionalities. Despite donor efforts at aid coordination and at increasing ownership, decision-making powers are highly centralised within headquarters in most donor agencies, which means that donor views prevail over recipient demands. Civil servants feel that ‘donor agencies in Bamako are mere post offices’ and that there is not much to get from dialogue at the country level.

The paradoxes of capacity building

In the new aid paradigm, the recipient government is, at least formally, given more control over the use of aid, but state capacities to carry out its tasks are weak. Therefore, capacity building has become a high priority and a major axis for donor intervention, but donor efforts to build the capacity of the Malian state embody many paradoxes. First, the multiplication of aid-sponsored implementation units in downtown Bamako is striking. Their overall number can be roughly estimated to 33, mostly attached to four ministries: Agriculture, Decentralization, Economics and Finance.⁷ Often attached (more or less loosely) to a ministry, but located in different buildings and composed mostly of civil servants with better working conditions, these units are *ad hoc* creations with limited life expectancy. Units are intended to build capacities so that the government can eventually undertake decision-making, implementation and follow-up by itself. In practice, these units also enable donors to choose their counterparts, to set up structures that are quickly operational without increasing the government’s budget, to maintain control over the operations, and to shape national institutions according to their needs. As one donor representative put it:

What donors want is a structure that can start working quickly, someone to talk to, someone who will answer the phone, answer their questions and follow up their programs - not an administration that would be efficient for and accountable to the population.

On the Malian government' side, the multiplication of such units provides additional financial and political resources. Head of a unit coordinator is a good position, and can be a reward for a political supporter, for example.

By creating or supporting these implementation units, donors are trying to rebuild what structural adjustment programmes had destroyed in the domain of policy planning. However, donor interventions, which are characterised by rigid procedures, short-term vision and objectives, and a restrictive as well as normative conception of the state, lead to imperfect capacity-building outcomes. Technocratic understandings of aid management are given more recognition than development management and the promotion of the public good. Lastly, responsibility for action is diluted by the multiplication of semi-institutional entities without clear status and limited periods for action. This anarchical and cancerous multiplication of *ad hoc* units affects the institutional coherence, strength and continuity of the state apparatus and policies. In fact, ministries are weakened and the professionalisation of the civil service is hampered.

Secondly, the need to 'build capacities' justifies the placement of technical assistants by donors in strategic positions in relation to planning, budgeting and spending processes. For example, the PRSP Unit now has five technical assistants (French and non-Malian Africans) hired by the European Union and France. These technical assistants are also meant to help improve the much wanted donor-recipient 'policy dialogue' (by providing donors with inside information). Because they are primarily accountable to donors, some civil servants see technical assistance as a way for donors to keep an eye on the public spending process.

Negotiating reform

The last part of the chapter examines specific instances of negotiations between the Malian government and donors. In particular, it looks at two policy issues that are crucial to the country's economy and politics and where donor involvement has been important and controversial: decentralization and cotton. The aim is to understand the conditions for government success or failure in aid negotiations.

Decentralisation

The Ministry of Territorial Administration and Local Communities threatened to refuse a World Bank project, forcing the Bank to amend the project design in late 2005. Being so assertive in aid negotiations is a quite rare occurrence in Mali. According to the *Direction Nationale des Collectivités Territoriales* (DNCT), the project risked duplicating the country's decentralization apparatus by setting up its own tools for financial support and a parallel implementation structure that bypassed the *Agence Nationale pour l'Investissement des Collectivités Territoriales* (ANICT), the institution which receives funding (both from the government and donors) and distributes it to local communities as grants. In December 2006, after two years of harsh negotiations, the Bank finally accepted to use the national system and procedures. What accounts for the government successfully altering the World Bank project in this case?

First of all, the government's decentralisation policy is a genuinely owned reform, a factor that provided the government with considerable resources in negotiating with donors. On the agenda since 1977 but never implemented, decentralisation was given new momentum with democratisation in the 1990s: the new ruling elite had to redefine the nature of the state in order to bring the state and citizens together after decades of dictatorship and to stop political tensions in the North of the country as a result of the 1990 Tuareg rebellion. Decentralisation, building on an old tradition of the ancient empires of Mali, was framed as the political solution to these problems (Baudais 2006). The Commission for Decentralisation and Institutional Reform (1993-2000) included a range of Malian technical experts and political personalities. It was integrated within the Prime Minister's office and then the Presidency, and was headed by a man of conviction, Ousmane Sy, who became Minister for Territorial Administration and Local Communities in 2000. Popular participation in the process was exemplar: During two years, the population debated and decided the creation of 703 democratically elected municipalities. The project lost some momentum when Touré became President and Ousmane Sy lost his position as Minister, but overall decentralisation is considered as a policy that is truly owned by both the government and population.

If the political vision for the project was very strong on the Malian side, implementation modalities were initially weakly defined and depended on external financial sources, and thus donor involvement in implementation has been strong. The decentralisation project was

mostly inspired by the French model, and the temptation of other donors (Switzerland, Germany, the Netherlands) to impose their own vision and experience of decentralisation was strong. The *Agence Nationale pour l'Investissement des Collectivités Territoriales* was an initiative of the European Commission, but it became a public structure well-integrated into the Ministry and following the country's laws and administrative procedures.

Donors have agreed to finance hundreds of projects over the next years and have attached multiple conditions to them, which means that the *Direction Nationale des Collectivités Territoriales* spends most of its time supervising donor missions, reviews and follow-ups. A civil servant said that donor procedures and demands are so high that he sometimes thinks of abandoning the project and the funds it could generate. However, because beneficiaries in the communes and regions would not understand such a refusal, he often gives up the idea of 'teaching donors a lesson'.

Nonetheless, decentralisation is a rare sector where the government has a nationally documented policy vision for the next ten years, as well as an operational plan for the next three years (see République du Mali 2006). The government's political commitment is real. If the national framework was shaped jointly by the government and donors, at least it existed. This undeniably helped the government to make its case against the World Bank, because it had something to stand for, and a base on which donors could align.

Unity within the Malian government in negotiating with the World Bank over its project was not ensured, though. The ministry that was supposed to implement the World Bank's project, the Ministry of Social Development, Solidarity and Senior Citizens, was willing to accept the parallel implementation structure because it would have provided it with an important political project, and financial as well as material resources. But the Ministry for Territorial Administration and Local Communities had a strong will and interest for the project to be integrated into national structures, and managed to create a coalition against the World Bank and the Ministry of Social Development. When the World Bank mission went to the communities of Mopti and Sikasso, local representatives explained to them that their project was ill-adapted, and when the mission asked for a personal meeting with the Minister of Territorial Administration and Local Communities, the Minister told them the same thing. A civil servant summed up: 'We were united from the top to the base. The World Bank felt that we were ready to give up the project and the money; that is why the Bank finally aligned on

our position'. Furthermore, the Ministry for Territorial Administration and Local Communities gained decisive support from certain donors, such as the European Union, the Netherlands, and France. The World Bank got involved in decentralization later than most other donors and was hence lagging behind in this sector. Despite this, the Bank did not participate in the donor-government coordination panel, which was resented by other donors. Under both government and donor pressure, the World Bank had to pull back.

A few months later, however, the Ministry of Social Development accepted a proposal similar to that of the World Bank made by the African Development Bank that also implied the creation of a parallel unit for implementation and finance. This illustrates both the lack of coordination within the Malian government and the perverse incentives of the aid system.

The case of cotton

Cotton is the main area of economic specialization in Mali: three out of eleven million Malians depend on cotton farming for subsistence, and cotton creates half of the state's export revenues. The negotiations over cotton between the Mali government and the international community in the past years have taken place at two levels: negotiations within the country on the privatisation of the national company for cotton production and negotiations at the World Trade Organization (WTO) over subsidies given by 'Northern' governments to cotton producers in their countries. We discuss the processes and outcomes of both negotiations.

The *Compagnie Malienne pour le Développement du Textile* (CMDT) is at the heart of a production system in which one operator covers all of the production stages. It supplies all agricultural inputs and has a monopoly over purchasing power. This system guaranteed quality standards, the efficiency of the production process, and price security for producers. The CMDT is a parastatal jointly owned by the state and a French parastatal company (*Développement des Agro-industries du Sud* or Dagriss).⁸ Cotton, the so-called 'white gold', was a success story in Africa until 1994, but since then cotton production has faced several severe financial crises, mostly due to a drop in prices on the world market and to European and American agricultural subsidies. The CMDT has accumulated huge deficits and become prone to major corruption over the past few decades. It is in this context that the World Bank first strongly advocated a new pricing mechanism and then advised privatising the country's cotton production and marketing system. After almost ten years of harsh negotiations between donors and the government, the privatisation of the cotton sector is now planned for 2008.

The government had very little leverage in determining the price mechanism and in designing the privatisation of the CMDT. The decision reflected little national ownership, and there is much evidence of the pressure exercised by the World Bank. What strategy and resources, then, did the government mobilise, and what can account for its ultimate failure?

Firstly, the tools used by the World Bank to apply pressure were difficult to resist. The pressure occurred in three stages. In 1998, implementation of a government rehabilitation plan preparing the way for private participation became a condition for Mali to access debt relief under the Heavily Indebted Poor Countries Initiative. This plan was written in consultation with the World Bank. Later, the World Bank withheld \$50 million of its aid in June 2004, in order to persuade the government to adjust the producer price of cotton. The privatisation of cotton eventually became a condition for general budget support.

Secondly, Malians within and outside of government did not form a united front. Indeed, the interests at stake on the Malian side were very diverse, even among the anti-privatisation group. The position of the country's highest authorities is the most difficult to discern. The Bank's influence was clear when, in June 2001, President Konaré accepted privatisation in principle. The Prime Minister at this time was allegedly opposed to privatisation, but was not consulted by Konaré, whose decision came as a surprise for many. During the period of following negotiations, President Konaré and then President Touré were neither proactive in proposing alternatives nor in taking leadership in planning privatization. Neither was the *Mission de Restructuration du Secteur Coton* team created to deal with this sensitive file and headed by Mister Coulibaly (former minister of Agriculture) and attached to the Prime Minister.

Two hypotheses can be drawn, which are not mutually exclusive. Firstly, the Malian officials were not ready to pay the political price for resisting the World Bank. When disbursement of budget support was suspended in 2004, President Touré was already virtually running for a second mandate. Delay or suspension of this aid could have obstructed the government's ability to pay the salaries of its civil servants and triggered strikes in the civil service. Secondly, resolving a dilemma in which neither public nor private solutions seemed to be efficient was far beyond the scope of most Malian agents involved in the negotiations, who were clearly in a position of inferiority, with fewer personnel and less potential to propose economic models. Arguing in favour of restructuring CMDT was difficult: the cost was high,

especially in a context of falling international cotton prices. The parastatal had undeniably gone through enormous difficulties. The worst enemy of the anti-privatization camp was the state-owned enterprise's bad governance, which the World Bank continuously highlighted, considerably reducing the scope of the debate.

The CMDT personnel were (and still are) unanimously against privatisation, for fear of losing their jobs. Small producers' unions and the state-owned company personnel tried to resist privatization, but were not united. Some reproached the government and strongly resented the CMDT for mismanaging public resources, while some advocated a reform of the parastatal and the sector. Beyond the debate over privatisation, their main concern has always been to sell their cotton at a fair price above all. They periodically organised large strikes and riots, and the government provided them with a local technical assistant to help them participate in the negotiation process, but they did not manage to impose themselves as a strong political voice with the ability to propose alternative policies. They were largely denied access to formal government discussions on the sector restructuring, and in 2006 and 2007, their union representatives became embroiled in campaigning for the President in the upcoming election and progressively cut off from their base. It was only after the government refused to reduce the guaranteed price of cotton as the World Bank required and general budget support was suspended (in 2004) that all Malian players understood the importance of a unified stance, but then it was too late.

The Ministry of Economy and Finance was particularly prone to condemning public mismanagement of the cotton sector, but notably this Ministry was directly affected when the World Bank suspended disbursements for budgetary support. On the contrary, the Ministry of Agriculture was clearly opposed to the privatisation and had knowledge of the field, but it was progressively marginalised. Studies were commissioned by international consultants, and local experts at the *Institut d'Economie Rurale* were marginalised. Donors chose the institution they were willing to negotiate with, and it was the Ministry of Economy and Finance that signed the price scheme in January 2005 with donors.

Especially from 2005 to 2007, the political debate within the country was almost entirely monopolised by donors. In the context of political 'consensus', the future of cotton was purposely excluded from the domestic political debate, especially during the presidential election campaign (only candidate Oumar Mariko publicly opposed the privatisation).

Moreover, negotiation took place outside of the usual channel for donor-government dialogue on the productive sectors, because the sector was considered too ‘special’ and ‘problematic’ by those involved in the negotiations.

On the donor side, the privatisation of cotton is a case of donor harmonisation. The initial fight between 2000 and 2003 mainly pitted the World Bank against the *Agence française de Développement*, which tried to advocate for the maintenance and modernisation of the integrated production system. However, this position was easily weakened. As partial owner of the CMDT, France was accused of trying to protect its neo-colonial interests. The absence of an alternative plan by the government reinforced the impression that France was defending its own interests more than those of Malian producers. The French cooperation system was discredited by the fact that, despite the presence of French technical experts in key positions within the CMDT, it was unable to foresee and deal with its financial crisis. Also, France could no longer afford to support the cotton production system, and the price to pay was judged too high compared to the decreasing strategic importance of cotton. More decisively, personnel in the French aid system were against the privatisation, but the French Treasury was in favour of it, since the CMDT deficits had impacts on the French budget. The position of the latter prevailed.

More importantly, the privatisation of cotton and the process of aid reform converged. In fact, the deficit undermining the CMDT was partly contracted as a result of French loans that the government must repay. With the introduction of general budget support, donors feared their funds might serve to repay the debt the government had contracted with the French. The privatisation of cotton, which ensures the absence of public funding to the CMDT, hence became a condition for budget support disbursements.

In sum, the government caved in under pressure from the World Bank, which designed how the sector would be privatised. This led President Touré to question the true meaning of ‘ownership’ and ‘partnership’ in his inaugural speech to the Development Cooperation Forum in Washington in December 2005:

True partnership supposes autonomy of beneficiary countries in requesting aid and in determining its objectives... Often programmes are imposed on us, and we are told it is our programme (...) No one can respect the conditions of certain donors. They are so complicated that they themselves have

difficulty getting us to understand them. This is not a partnership. This is a master relating to his student (quoted in Oxfam 2006).

In late 2006, President Touré wrote an official letter asking the World Bank for the privatisation to be delayed to 2008. The *Mission de Restructuration du Secteur Coton*, who had prepared a strong technical case to postpone the privatisation until 2010, in order to allow the sector to prepare for it, was not consulted by the President or even informed of his initiative. In this case, political imperatives prevailed over technical advice. Therefore, the privatisation was postponed to 2008—after the 2007 presidential election.

The modalities of the coming privatisation consists of creating four different private branches, which are a compromise between the World Bank vision (full liberalisation) and the French vision (integrated production system), and are inspired by the privatisation model implemented in Burkina Faso. The creation of a Cotton Support Fund meant to ensure a guaranteed minimum price for farmers and to limit their exposure to price fluctuations is currently being discussed, but the World Bank and IMF are very reluctant to fund it.

While the Malian government was weak in aid negotiations with donors for the reasons just outlined, it has proved more successful in negotiations at the WTO in 2003 where it joined Burkina Faso, Chad and Benin in leading the ‘cotton initiative’, which proposed the suppression of all subsidies given by Northern governments to cotton producers in their countries and some compensation to African cotton producing countries. The cotton initiative is a unique example where the Mali government and other highly dependent African governments have collectively tried to make a case on trade issues.

Criticisms and demands concerning subsidies were formulated by cotton producers as early as November 2001 and were strongly supported by Northern NGOs. African governments echoed these demands. During a meeting in Abidjan in June 2002, they decided to take collective action and then mobilised their relevant ministries at home and their representations in Geneva. However, cleavages about the strategy to adopt emerged among the four governments in preparation for the Cancùn trade talks. They hesitated between attacking the US through the WTO Dispute Settlement Mechanism and negotiating directly, but eventually chose the second option because they feared retaliation by the US through cuts in foreign aid to their countries (Pesche & Nupuckpo 2004).

More importantly, the United States and the European Union were successful at reframing the cotton initiative by broadening the diagnosis of the cotton problem and developing an informal diplomacy that bypassed the formal dialogue arenas. Following the Cancun Ministerial Meeting in 2003, the problem was divided into two components: a ‘trade track’ (dealing with the subsidies), and a ‘development track’ which linked cotton production to a range of aid and economic issues. The essence of this reframing was two-fold: to allow room for the US and the EU to distance themselves from an exclusive discussion on sensitive subsidies, and to re-position the Africans back into a conventional posture of requesting aid rather than rights-based defenders demanding equal application of the rules (Eagleton-Pierce 2007).

However, the initiative led to some victories for the African governments. The issue of cotton has been kept on the agenda and it was the first time in history that international trade negotiations were blocked by an African claim. African governments have also improved their negotiation skills and knowledge and built strong networks with the Ideas Centre in Geneva and Oxfam, for example. There is hope from the text adopted in Hong Kong in 2005, in which the Malian Minister for Industry and Commerce was spokesperson for the African cotton coalition, that there may be in the near future a more ambitious outcome on cotton.⁹

But the Malian government was unable to use the leverage it gained in the cotton initiative in the negotiations over the future of the sector in Mali. The privatisation of cotton and the international cotton initiative have been negotiated separately by the Malian government: different people, resources and arguments were used at different levels and in different places. The World Bank first argued that it does not deal with trade issues, and then minimised the importance of the global trade context by arguing that the Malian cotton issue was above all an issue of bad governance at the national level. The Bank also argued that the privatisation of the CMDT would make Malian cotton more competitive.

Conclusion

Recipient ownership did not emerge just because donors declared that it was their new priority and introduced the Paris agenda in the country. The government’s will to actually take ownership and responsibility of development policies and manage aid for the

implementation of these is questionable. Moreover, past donor practices have had negative impacts on the potential for country ownership while there are important limits to the way donors try to promote recipient ownership through PRSPs and capacity-building activities. Donor agencies do not seem willing and able to fully meet their commitments and let the necessary time and space for recipient ownership to emerge. So far, it seems that the current reforms of the aid system will not be enough to change the power imbalances in the aid relationship, and may give donors greater involvement in the decision-making process. The new aid agenda does not seem to fundamentally modify the government's implicit strategy for negotiating aid, and the government does not seem to fully consider the Paris agenda as an opportunity to be more assertive in taking leadership and negotiating aid.

The case studies show that taking the lead away from donors and being more successful in aid negotiations remains very difficult for the Malian government. The example of decentralisation shows that the existence of a national vision is the first key to successful aid negotiations, but it is not sufficient, as other factors were important. Firstly, the disagreement between the World Bank and parts of the Malian government concerned project implementation and not policy content, which of course made compromise easier. Secondly, decentralisation is a rather consensual, non-productive sector that donors have supported in most African countries. Thirdly, support from some 'like-minded' donors was crucial. The case of cotton illustrates a very different scenario. The World Bank was determined and its strong arm tactics were buttressed by the poor governance of the cotton company. Malian actors were divided, and the position of the highest authorities was ambiguous, partly because the political price of both privatisation and resistance to it was high. Actors coming up with alternatives were marginalised. On the other hand, even if the cotton initiative was not fully successful, it suggests that a regional alliance at the international level considerably enhances the negotiating strength of aid dependent countries.

Both cases show that the government's strategies in aid negotiations are affected by the lack of unity in the government, itself reflected by a fragmented aid management system. In the case of decentralisation, the existence of a national strategy in the sector helped the Ministry for Territorial Administration and Local Communities build a strong case for World Bank alignment. But after that negotiation had been won, the Ministry of Social Development took a purely opportunistic stand in order to maximise the benefits it could get from the project, one which undermined an attempt to force donors to use national structures and processes. In

the case of cotton, there was also a lack of a unified position within the government which ultimately undermined its negotiating strength. However, in this case, the lack of unity stemmed not from competing ministries, but rather a range of different positions across government and society.

This lack of unity results from two sets of factors. On the one hand, the particular characteristics of the history of development policies carried out since independence and the consensus political system developed by President Touré explain the weakness of recipient ownership in the country today. On the other hand, the perverse incentives in the bureaucracy created by the aid system encourage ministries to pursue separate strategies to get resources, instead of standing for a national strategy for managing aid and ensuring policy prioritisation and implementation through national structures.

Overall, it seems that the Malian government's leverage in aid negotiations exists only at the margins. When the government and donors disagree on policy content, it is very difficult for the government to get the upper-hand during negotiations over the content of specific policies. However, the government has more leverage during implementation, when it can sometimes bypass donor demands or pursue their own objectives. It does not implement everything that is agreed with donors. Delaying and poorly implementing conditions are typical techniques used in trying to bypass donor conditions. In the negotiations over the national cotton company, time management enabled the government to postpone the privatization and therefore better prepare the sector for privatisation while dealing with the domestic political cycle (the elections). Government officials also hide behind a 'lack of capacity' to improve transparency in public finance management and procurement systems and frequently manipulate data in macroeconomic and budgetary discussions. Lastly, language can be used as a source of leverage for the government during implementation. Civil servants' poor English is often described as a weakness in negotiations, but it can be an asset during implementation when the Malian authorities play with words in translation from English to French and claim there was a misunderstanding during negotiations. These strategies may earn the government more room to manoeuvre, but they do not always result in actual government control over the policy agenda.

Endnotes

1. The author thanks Alassane Diabaté, Elisabeth Paul and Kako Nubukpo for their invaluable help.
2. The national conference is a mode of democratic transition specific to francophone African countries.
3. Mali is a Republic and has a semi-presidential system, a political system inspired by the French fifth Republic. The President is the head of State; guardian of the Constitution, territorial integrity and international agreements and treaties. The President is elected directly by the people for five years and can be re-elected only once. The Prime Minister is the head of the government and is appointed by the President. The government determines and leads policy and can use the administration and the army. The Prime Minister leads and coordinates government action.
4. Internal note, Ministry of Economics and Finance, January 2006.
5. Tuaregs are a nomadic population living in Northern Mali, and whose integration in the nation-state has been problematic. They periodically rebelled, most notably in 1963, 1990 and most lately in 2006-2007, which first led to repression and then to negotiated settlements.
6. Abdoulaye Touré, Director of the Budget, power point presentation at the Ministry of Finance/AFD workshop on global budget support. Bamako, Hotel Salam, 1-2 November 2007.
7. Estimation made by the author on the basis of : *Décret n°07-393 portant répartition des services publics entre la Primature et les Départements sectoriels*, October 2007.
8. The *Compagnie française des textiles* was created by De Gaulle in 1949 to provide the French textile industry with cotton. It became DAGRIS in 2003, and is currently being privatised.
9. 'All forms of export subsidies for cotton will be eliminated by developed countries in 2006....We urge the Director-General to further intensify his consultative efforts...to explore the possibility of establishing (...) a mechanism to deal with income declines in the cotton sector until the end of subsidies', WTO sixth Ministerial Conference, Hong Kong, 18 November 2005.

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Mohamed Diallo. UNDP PRECAGED, Project Coordinator. 15/03/2007.

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Irene Horejs. Head of the European Commission's delegation in Mali. 03/04/2007

Mamadou Namory Traoré. Embassy of the Netherlands, Senior Project Manager. 04/04/2007.

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Michel Reveyrand, French ambassador to Mali, and Lionel Vignacq, Joint Advisor for Cooperation (Economy and Finance, state reform, codevelopment). 13/04/2007

Malik Sawadogo. Donor technical pool coordinator. 13/04/2007.

Mr Cissouma. Ministry for Territorial Administration and Local Communities. Director. 15/04/2007.

Mrs Barry. *Coalition des alternatives africaines dettes et développement – Mali*. President. 23/04/2007.

Kako Nupukpo. French Agricultural Research Centre for International Development (CIRAD), Research fellow. 24/04/2007.

Maurice Adevah-Poeuf. Former French deputy (Socialist Party). 27/11/2007.

Ousmane Sy. Former Minister for Territorial Administration and Local Communities and Director of the *Centre d'expertises politiques et institutionnelles en Afrique* (Malian think tank). 07/12/2007.

Edmond Dembelé. Former technical advisor to the Malian cotton producers (2001-2006), consultant at CERCA (Malian think tank). 18/12/2007.

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