

MALI

UNITARY COUNTRY

BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: LOW INCOME

LOCAL CURRENCY: WEST AFRICAN CFA FRANC (XOF)

POPULATION AND GEOGRAPHY

Area: 1 240 190 km²
Population: 18.542 million inhabitants (2017), an increase of 3.0% per year (2010-2015)
Density: 14.9 inhabitants / km²
Urban population: 41.4% of national population
Urban population growth: 4.9% (2017 vs 2016)
Capital city: Bamako (13.2% of national population)

ECONOMIC DATA

GDP: 41 billion (current PPP international dollars), i.e. 2 214 dollars per inhabitant (2017)
Real GDP growth: 5.4% (2017 vs 2016)
Unemployment rate: 9.6% (2018)
Foreign direct investment, net inflows (FDI): 265.6 (BoP, current USD millions, 2017)
Gross Fixed Capital Formation (GFCF): 20.5% of GDP (2017)
HDI: 0.427 (low), rank 182 (2017)
Poverty rate: 47.2 (2015)

MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

Mali is a secular and multi-party Republic. This republican form is enshrined in the Constitution promulgated on 25 February 1992. The President of the Republic is the Head of State. He/She is elected by direct universal suffrage for a five-year term, renewable once. The National Assembly is the single chamber of Parliament. A new Constitution is currently being discussed as part of the institutional reforms adopted under the Algiers Peace Agreement signed in 2015. However, the constitutional review has been suspended until a broad consensus on the issue can be reached.

The commitment to decentralization, expressed in the aftermath of independence, was enshrined in the 1992 Constitution, with the principle of the free administration of local and regional authorities. From that time on, decentralization was seen as a means of safeguarding national unity and territorial integrity. The institutional framework is then anchored in legislation and periodically updated. A High Council of Local and Regional Authorities made up of national councillors representing local and regional authorities was officially established in 2002. It is consulted by the government on all matters concerning local and regional development policy, environmental protection and improving the quality of life of citizens within local and regional authorities.

Following the adoption of the Algiers Peace Agreement, the main texts on decentralization, territorial administration and elections were reviewed: Law determining the conditions for the free administration of territorial authorities, law establishing the Local Government Code, law establishing the general status of officials of territorial authorities, law establishing the specific status of the Bamako district. The related laws were adopted on 14 September 2017. However, the content of Act n°2017-051 of 2 October 2017 on the Local Government and n°2017-052 of 2 October 2017 determining the conditions for the free administration of local and regional authorities has raised certain reservations that are being addressed in the context of ongoing consultations between Malian stakeholders.

TERRITORIAL ORGANISATION

2016	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	Municipalities (Communes)	Districts (Cercles)	10 Regions + District of Bamako	
	Average municipal size: 26 375 inhabitants			
	703	49	11	763

OVERALL DESCRIPTION. Mali has three levels of decentralized local authorities: Communes (703), Cercles (49), Regions (10) and the District of Bamako. All these territories are set up as local governments.

COMMUNES. The municipalities (*communes*) are managed by a municipal council elected by direct universal suffrage. The mayor and deputies, who form the municipal office, are elected by the municipal councillors. The 703 municipalities, including 666 rural municipalities, are composed of villages / fractions (in rural areas) or neighbourhoods (in urban areas). The District of Bamako itself is composed of 6 municipalities.

CERCLES. The *cercle* is a territorial authority grouping several municipalities, endowed with a legal personality and benefiting from financial autonomy. It provides a framework for aligning the development strategies and actions of the municipalities that make it up. The council of the *cercle* is composed of members elected by the municipal councillors for a 5-year term.

REGIONS. The regions are managed by a regional council. Regional councillors are elected by the municipal councillors.

SUBNATIONAL GOVERNMENT RESPONSIBILITIES

According to the 2017 Local Government Code, sub-national governments have general and exclusive responsibilities. The general responsibilities are the same for all local authorities. They follow a classic pattern in West Africa with overall responsibility for creating and managing public services as well as development programmes, land management, agricultural management and environmental protection. The specific responsibilities differ according to the type of local authority concerned.

Progress has been made in decentralizing responsibilities in some sectors, such as health and education, but the transfer of resources corresponding to the transfer of responsibilities has been slow, hindering the ability of local authorities to meet their growing expenditure responsibilities. In addition, sub-national governments are not sufficiently involved in programme budgeting processes, which affects the ability to effectively achieve sustainable results at the local level.

The Peace and Reconciliation Agreement signed in 2015 and the relevant law stipulate that any transfer of competences to a local authority must be accompanied by a transfer of the corresponding resources and a budget linked to the competences to be transferred and exercised.

MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

	REGIONS	CERCLES	COMMUNES
1. General public services	Creation and management of local public services	Creation and management of local public services	Creation and management of local public services
2. Public order and safety	Regulations on administrative police	Regulations on administrative police	Regulations on administrative police
3. Economic affairs / transports	Livestock and fisheries	Livestock and fisheries	
4. Environmental protection	Environmental protection	Environmental protection	Environmental protection; Sanitation; Waste management
5. Housing and community amenities	Land management and acquisition of property assets	Land management and acquisition of property assets	Land management and acquisition of property assets
6. Health	Health; public hygiene; Sanitation	Health	Health
7. Recreation, culture & religion			
8. Education	Technical and vocational education; Special education; Vocational training and apprenticeship	General secondary education; Vocational training and apprenticeship	Pre-school; Basic education; Non-formal education; Vocational training and apprenticeship
9. Social protection			

SUBNATIONAL GOVERNMENT FINANCE

Scope of fiscal data: communes, cercles and regions. Detailed data are not available.	SNA 1993	Availability of fiscal data: Low	Quality/reliability of fiscal data : Low
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GENERAL INTRODUCTION. Under Act No. 2012-007 of 07 February 2012, on the Local Government Code, the budget is the act by which all the charges and resources of local authorities are provided for and authorised. The financial year shall begin on 1 January and end on 31 December of the same year.

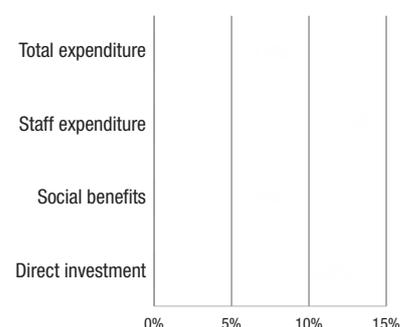
Finance ministry officials hold resources and control their use. The presidents of the decentralised entities (Circles, Regions) or mayors are the authorising officers.

A compulsory amount of ordinary revenue from the budget is allocated to capital expenditure. The local government may establish a supplementary budget during the financial year when the accounts for the previous financial year are known. It shall be drawn up and voted on the same conditions as the original budget and shall include the authorising officer's administrative account and the payer's revenue and expenditure account.

A reform of local taxation is currently being discussed with the aim of improving the financial resources of local authorities. It is structured around the following lines of action: mobilizing the resources of local authorities; capacity building; improving the financial management of local authorities; and improving local financial governance. This reform is part of the broader framework of Mali's Public Financial Management Reform Plan (PREM) 2017-2021, adopted by the Government in September 2016.

SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

	DOLLARS PPP / INH.	% GDP	% SNG EXPENDITURE	% GENERAL GOVERNMENT EXPENDITURE (SAME EXPENDITURE CATEGORY)
Total expenditure				
Incl. current expenditure				
Staff expenditure				
Intermediate consumption				
Social expenditure				
Subsidies and current transfers				
Financial charges				
Others				
Incl. capital expenditure				
Capital transfers				
Direct investment (or GFCF)				



GRANTS AND SUBSIDIES. The allocation of subsidies is the responsibility of the National Investment Agency for Local Authorities. To this end, since 2007, the Agency has been managing the National Support Fund for Local Authorities. There are five types of grants:

- The Investment Grant (DIN) and the Inter-Community Grant (DIC), the purpose of which is to finance capital investments. The DIN allocation criteria include the level of wealth, the number of inhabitants, the distance from the community to the major supply centres and a communal poverty index determined by the Sustainable Human Development Observatory. In addition, criteria relating to the tax effort calculated on the basis of the recovery rate of the Regional and Local Development Tax (RLDT) and to good local governance are also included;
- The Technical Support Grant (DAT) and the Support Grant for the Operation of Territorial Authorities (DAFCT) contribute to the financing of current expenditure;
- Finally, the Guarantee Grant for Territorial Authorities Borrowings (DGECT) is intended to facilitate bank loans to local authorities for the implementation of projects with a high return on investment.

The transfer system has limited predictability and is largely dependent on external partners (Bilateral and Multilateral Support Programmes).

The Malian government has undertaken to sign bilateral performance contracts with local authorities, with the aim of facilitating the transfer of appropriate resources. As part of national development policies and strategies, the government committed itself to transferring 30% of tax revenues to local and regional authorities by the end of 2018; this percentage reached 17% in 2016. The amounts transferred to local authorities have increased significantly over the past three years, from CFAF 170.9 billion (approximately CFAF 788 million (approximately \$45 million PPP or \$45 PPP per capita) in 2015 to CFAF 326.2 billion (approximately \$1.5 billion PPP or \$80 PPP per capita) in 2018. Nevertheless, it should be noted that these amounts (relatively large compared to the transfers made in the other countries of the sub-region) include a significant part relating to the payment of the wage bill of teachers transferred to local authorities.

■ SUBNATIONAL GOVERNMENT FISCAL RULES AND DEBT

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
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Total outstanding debt

Financial debt*

* Currency and deposits, loans and bonds

FISCAL RULES. The financial management of local authorities is based on the principles of public accounting. The only account that a local authority can hold is at the level of the public collector or accountant. Unless authorised by the national authorising officer, the Minister in charge of the Economy and Finance, local authorities may not hold accounts in the books of financial institutions.

In accordance with the regulations, a public debate is planned on four aspects before the adoption of the budget: The status of implementation of the Social, Economic and Cultural Development Plan (PDSEC), the administrative account for the previous year, the operating status of the local government's bodies and services and the draft budget. Once this has been completed, the budget is voted by the council of the local authority in balance of expenditure and revenue, before 31 October of the year preceding its execution. It is then submitted to the regulatory authority for approval and further implementation.

DEBT. The 2017 Local Government Code remains relatively silent on the possibilities of borrowing by local authorities. Borrowings must be used exclusively to finance investments. They must be authorised by government authorities, but the procedures for such authorisation are not specified.



Lead responsible: UNCDF
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Socio-economic indicators: World Bank // UNDP // UN Desa // ILO.

Fiscal data: IMF // Ministry of Finance Document de Programmation Pluriannuelle des Dépenses et Projet Annuel de Performance (DPPD-PAP) portant sur la période 2019-2021.

Other sources of information: The World Bank (2018) Mali Fiscal Decentralization for Better Service Delivery // République du Mali (2018) Revue des Dépenses Publiques et de la Responsabilité Financière de l'Etat - Rapport sur la Performance de la Gestion des Finances Publiques sur la période 2013-2015 selon le cadre méthodologique PEFA 2016 // Cities Alliance and UCLGA (2018) Assessing the institutional environment of local governments in Africa // RIAFCO, UNCDF, FMDV (2018) Studies on financial resource sustainability and diversification for Local Government Financing Institutions in Africa // IMF (2015) Mali, Fiscalité locale et décentralisation.