Country profile MALI

Enhanced Integrated Framework (EIF)

for trade-related assistance for Least Developed Countries (LDCs)

Enhanced Integrated Framework

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SUMMARY

Mali is one of the ten economies that has over five years taken large strides in making its regulatory environment more favourable to business, with more than a dozen 'Doing Business' reforms.

Mali's ranking has since improved for the third consecutive year in the *Doing Business Survey* from 162 in 2009 to 155 in 2010 and 153 in 2011. Mali has made major improvements in four indicators: starting a business; dealing with construction permits; trading across borders; and enforcing contracts. Key achievements range from customs reforms, a new one-stop shop for business start-up and amendments to the civil legislation.

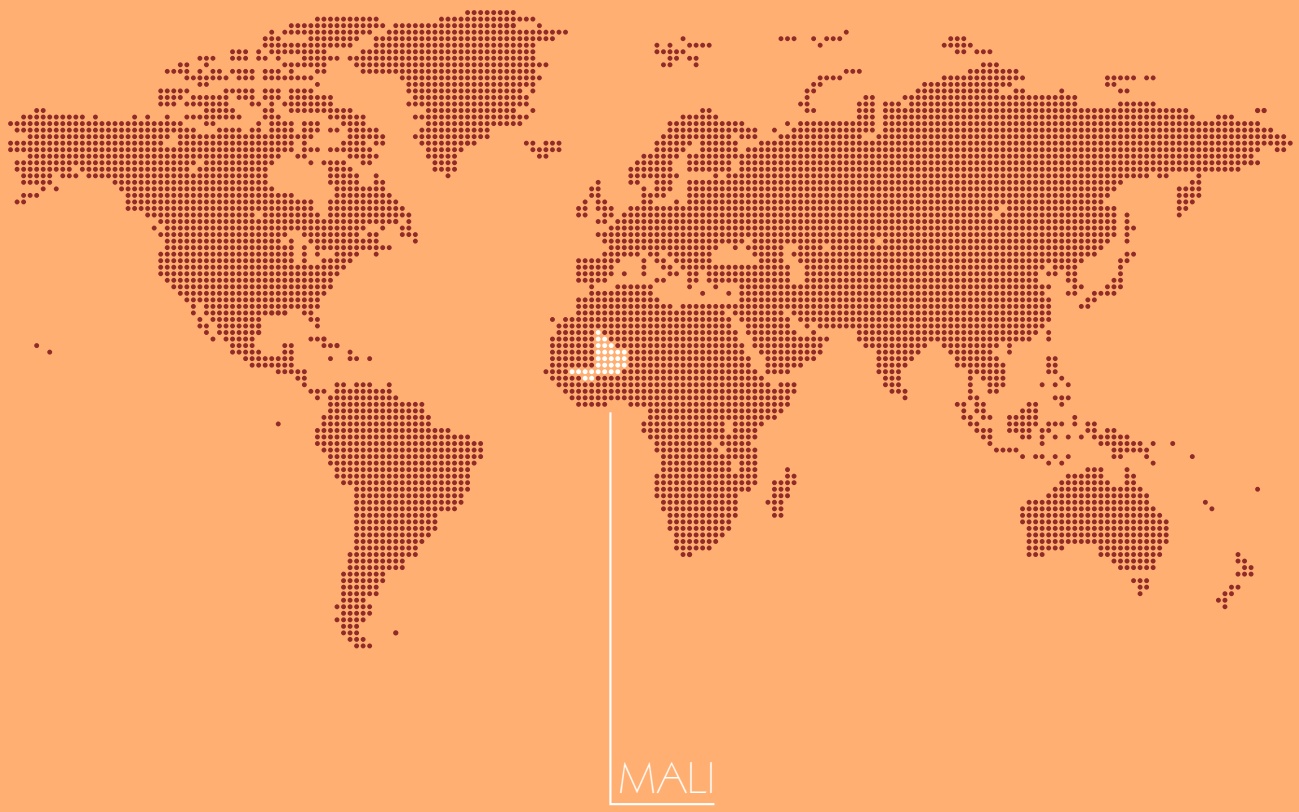
In 2003, Mali joined the Integrated Framework (IF) programme and carried out the Diagnostic Trade Integration Study (DTIS), which was validated in December 2004, and the National Implementation Unit (NIU) was established in 2005. As part of addressing some of the priority areas in the Action Matrix, Mali benefitted from four projects under the IF programme. The Action Matrix priorities focused on:

- cross-sectoral measures – transport, customs modernization and trade facilitation, trade support institutions, trade policy and the business environment;
- sector-specific measures – agriculture and agro-industry, cultural and artisanal industries, and tourism; and
- poverty specific measures.

Mali's nationally owned DTIS recommendations were also included in the second Poverty Reduction Strategy Paper (PRSP) - the Growth and Poverty Reduction Strategic Framework (GPRSF) 2007-2011. This set a commitment to achieve strong and sustained growth and take a serious stance on tackling poverty.

The Enhanced Integrated Framework (EIF) project in Mali was approved in July 2010, with the main objective to support Mali's integration into the global trading economy. The project also aims to facilitate putting trade at the centre of the next PRSP through an updated DTIS.

WORLD MAP



EIF countries:

Afghanistan
Angola
Bangladesh
Benin
Bhutan
Burkina Faso
Burundi
Cambodia
Cape Verde
Central African Republic
Chad
Comoros
Democratic Republic of the Congo
Djibouti
Eritrea
Ethiopia
The Gambia
Guinea
Guinea-Bissau
Haiti
Kiribati
Lao PDR
Lesotho
Liberia
Madagascar
Malawi
Maldives
Mali
Mauritania
Mozambique
Nepal
Niger
Rwanda
Samoa
São Tomé and Príncipe
Senegal
Sierra Leone
Solomon Islands
South Sudan
Sudan
Tanzania
Timor-Leste
Togo
Tuvalu
Uganda
Vanuatu
Yemen
Zambia

FACTS AND FIGURES

Geographical area: 1,240,192 sq km

Population: 12,334,000

Population growth rate (2009): 2.4%[1]

GDP real growth rate: 2.8%

GDP: US$6,863 million

GDP per capita, PPP: US$1,200

Main exports: cotton, gold, livestock

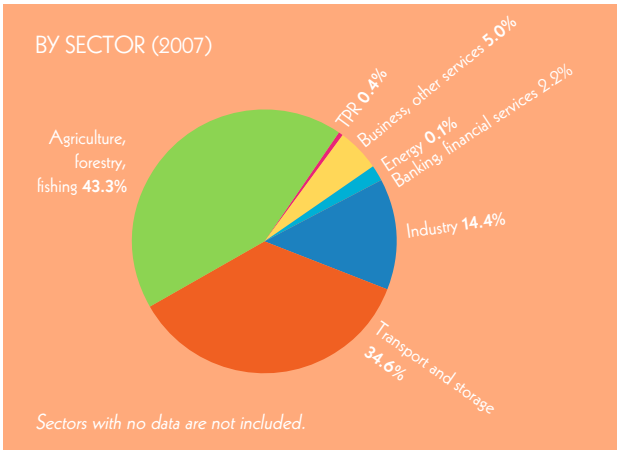
Poverty (% living below US$1.25/day): 51.4%

Human development index (2006): 168/179

Aid for Trade flows: disbursements in 2007 US$166.2 million (commitments US$653.6 million)

Aid for Trade at a Glance 2009

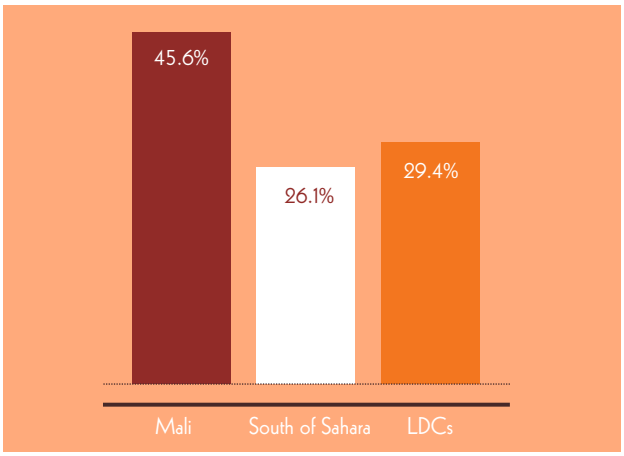
AID FOR TRADE FLOWS



Aid for Trade at a Glance 2009

SHARE IN ODA

Share of Aid for Trade in sector allocable ODA compared to regional and income group averages (2006-2007 avg.)



Aid for Trade at a Glance 2009

[1]World Bank, *World Development Indicators*

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ISSUES

Mali shows just how far trade can be used as a lever to help a country achieve its development goals in support of poor rural communities, in particular for women.

Challenges still remain around the need to increase the proportion of trade to GDP, currently at 15% – earlier having reached 24.9% between 2000 and 2004 on exports alone. Looking forward, Mali's goal is to reach a 7% growth rate per year (which is one of the main objectives of the Brussels Programme of Action of 2001) and to work hard to meet the Millennium Development Goals (MDGs) still lagging behind.

Agriculture has been one sector that needed a serious boost. Not only are 80% of people in the country dependent on farming, but a lack of skills and technical know-how on meeting market standards meant their potential was not being realized. Phyto-sanitary standards posed a challenge, as did connecting farmers and traders to markets. Looking to the future means ensuring that communities can move up the value chain by processing the fruit and vegetables they are trying to export, in line with:

- the recommendations of the review of the Poverty Reduction Strategy Paper (PRSP) dated May 2010, which states that "the potential of the agro-sylvo-pastoral sectors whose products are in high demand on the international market presents an opportunity to reduce poverty"; and
- the Economic and Social Development Programme, which sets out the priority actions of the Government of Mali.

Mali's trade sector is firmly positioned within its current and future development strategies and, with the Prime Minister chairing the Enhanced Integrated Framework (EIF) and Aid for Trade (AfT) Interministerial Committee, the trade agenda is being championed at the highest political level. Backed by the EIF's National Implementation Unit (NIU), there has been real progress in bringing together the Government, private sector and development partners in a unique institutional framework to translate this vision into greater exports, which has meant more jobs, higher incomes and wealth creation.

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RESULTS

EIF visit to the Yanfolila fruit and vegetables processing unit

Strong export figures tell the narrative of what has worked in Mali so far boosted by support provided through both the earlier Integrated Framework (IF) and the Enhanced Integrated Framework programme (EIF). However, just as significant is the story of how Mali has been able to leverage other sources of funding, coordinating development assistance behind its efforts and how the Government has provided its own share to back the trade programme.

Impact so far shows that:

- Mali contributed more than a third of the funding of the first phase of the EIF programme, over US$730,000. For 2011, the Medium-Term Expenditure Framework contains funding for trade priorities mainstreamed in the Poverty Reduction Strategy Paper (PRSP). As an example, the budget allocated to the National Implementation Unit (NIU) alone totals 1 billion CFA for 2011 (approximately US$ 2.2 million).
- Successful mainstreaming of the trade agenda through the EIF has enabled Mali to raise funding from the Agence Française de Développement (AFD) (€1.5 million for trade capacity building), from the Standards and Trade Development Facility (STDF) (US$518,000 for SPS capacity building in the vegetable and fruit sectors), and from UNDP (US$125,000). Strong donor coordination comes under a Joint Donor Assistance Strategy with a clear focus on trade issues.
- The earlier IF programme supported Mali with a set of complementary and self-reinforcing projects to develop the country's trade development strategy, enhance credit provision to mango exporters and improve the quality of Malian mangoes. Each project has helped key sub-chains, from mango production to processing, marketing and exports.

Headline results from the projects include:

- Support to the upkeep of the mango orchards with phyto-sanitary treatment of up to 23,000 hectares between 2005 and 2010.
- Higher productivity and improved quality contributed to a 257% increase in mango export volumes between 2005 and 2010. More importantly, producers' income increased thanks to a higher quality premium price.
- The steady increase of mango exports in the past five years from 2,915 tons in 2005 to 10,410 tons in 2010 has generated enhanced revenues for mango producers from 25,000 to 75,000 CFA per ton (approximately US$55-170).
- Training and tailored support for the private sector – currently 15 mango exporters have been able to meet the Global Gap Certification standards and therefore are able to export to European markets. Efforts have been made to put in place a quality management system within these companies.
- Securing international profile at trade fairs including in Shanghai, Morocco, France and at the Fruit Logistica in Berlin 2010 for 18 exporters.
- Equipping the PLAZA station to oversee the quality of mango phyto-sanitary standards for export. Training to women 'pisteurs' who act as the link between farmers and markets has led to each woman being able to process 35 tons for an average income of over US$10,000 per year.

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FORWARD LOOK

Mali's future development is set on the path of building on the success that trade has had to lift rural communities, and in particular women, out of poverty. Learning from what has worked in the mango sector, with mangoes now Mali's third-highest export product in 2010, has led to new projects being rolled out to develop local skills in providing value addition to agricultural produce.

With the EIF and other partners' support, this now means:

- Developing mango-based products such as jams, dried fruit and other higher value goods for export with support going to women's cooperatives and the private sector increasingly getting involved. This has led to the set-up of a processing unit for fruits and vegetables in Yanfolila and capacity building for women cooperatives on production techniques as well as training in French jam-making and simplified procedures. Over 100 women in rural areas will for now benefit from the project in addition to direct employment generation. Turnover is projected in the first year to be €57,500 and up to €300,000 by the fifth year.

Upcoming projects are looking to replicate lessons learned from the mango experience in new sectors such as gum arabic, shea butter and sesame. With strong backing from local stakeholders, there is now a clear link being made between the integration of these sectors into national programmes and the budget.

- For gum arabic, the project focuses on five regions to cover 10,000 hectares of land to be planted with acacia trees and takes on issues of sustainable ecological development. This includes the need to preserve the arid region of the country, supporting the creation of local jobs to tackle migration, as well as ensuring local community ownership over natural resources. The project also aims to develop infrastructure for storage and transportation to ensure adequate access to production zones and getting products to destination markets.

- For shea butter, rural women are the primary beneficiaries, making up 80% of those working in gathering and transforming the product, representing more than 3 million Malians. Many are involved in the labour-intensive process by hand. The market potential is vast and includes agro-alimentary (e.g., chocolate), cosmetic and pharmacological avenues. The sector-wide shea butter strategy recently agreed upon aims to increase volumes of exports by 25% per year, and local outreach is helping unite networks.

Mali has already made real strides in realizing the potential that trade, and through the EIF as a catalyst in these efforts, can make to growth and lifting people out of poverty. The Government's own contributions to the programme of an annual US$1.2 million between 2007 and 2010 show the value the EIF has had and can continue to have in future efforts. Long-term prospects indicate how Mali is driving its development path through promoting the value of trade and reaping the rewards of national buy-in to the process. Yet a great deal more can be achieved by rolling out the benefits, and with additional support by the international community, the future remains brighter still.

Are you ready to get involved and be part of Mali's trade story?

To find out more go to:
www.cadreintegre.org and www.enhancedif.org

Find out more at:
www.enhancedif.org

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May 2011