



Africa Region Working Paper Series Number 104 a

DEVELOPMENT OF THE CITIES OF MALI — Challenges and Priorities

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September 2007



The World Bank

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– Challenges and Priorities

Africa Region Working Paper Series No. 104/a

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Abstract

Taking its outset in a description of the urban sector in Mali, this report explores the most promising entry points for future urban and municipal development. Mali is much less urbanized than other countries in the region but its urban areas are growing very rapidly. Mali's cities already play a preponderant role in creating the country's wealth.

The lack of access to basic services and infrastructure lies at the heart of Mali's urban development problems. This situation is caused by a shortage of funds for urban development, which are far from commensurate with the rapid pace of urbanization. Efforts to improve urban management will have to be stepped up as part of the decentralization process and a

strong Government commitment to the urban sector is strategically important with respect to economic development objectives and fighting poverty.

On the basis of the review of the urban sector, this report recommends continuing efforts on two levels: (i) on the level of a limited number of individual cities through targeted activities carried out under Municipal Contracts, and (ii) at the national level through cross-cutting accompanying measures to increase resources available for urban development, promote local economic development, improve the land markets and increase the production of plots, ensure financing and functioning of basic services, reinforce cooperation between municipalities, and equip the cities with urban planning tools.

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- Challenges and Priorities

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This Economic and Sector Work Report was prepared as part of the work program of the Water and Urban Development Division (AFTU2) of the World Bank Africa Region. The paper was prepared by a team led by Catherine Farvacque-Vitkovic (Lead Urban Development Specialist) and composed of Alicia Casalis (Consultant, Urban Development Specialist), Mahine Diop (Municipal Engineer) and Christian Eghoff (Consultant, Urban Development Specialist). The work was completed under the management of Eustache Ouayoro (Sector Manager, AFTU2), Alassane Diawara (Country Manager, AFMML), Michel Wormser (Sector Director, AFTPI), Diarietou Gaye (Acting Country Director, AFCF2) and James P. Bond (Country Director, AFCF2).

The team worked closely with the Government of Mali through the Ministerial ESW Steering Committee. The report further benefited from support from the Coordination Unit for the Urban Development and Decentralization Project in Mali. The authors wish to thank the peer reviewers of the report: Maryse Gautier, Andre Ryba and Robert Buckley. Alain Durand-Lasserve (Consultant) wrote a background report and support to the production of the document was provided by Armele Vilceus.

ACRONYMS AND ABBREVIATIONS

USD 1 = FCFA 540

ACI	<i>Agence de Cession Immobiliere</i> (Land development agency)
AGETIPE	Public Works and Employment Agency
ANICT	<i>Agence Nationale d'Investissement des Collectivités Territoriales</i> (National Local Government Investment Agency)
APIM	<i>Association Promoteurs Immobiliers du Mali</i> (Mali Real Estate Developers' Association)
BHM	<i>Banque de l'Habitat du Mali</i> (Housing Bank of Mali)
BSI	<i>Budget Special d'Investissement</i> (Special Investment Budget)
CAS	Country Assistance Strategy
CREE	Commission de Régulation de l'Electricité et de l'Eau (Electricity and Water Regulatory Commission)
CUH	<i>Concession Urbaine d'Habitation</i> (Urban Residency Permit)
DCPND	<i>Document Cadre de Politique Nationale de Décentralisation</i> (National Decentralization Framework Policy Paper)
DNCT	<i>Direction Nationale des Collectivités Territoriales</i> (National Local Government Directorate)
DNH	<i>Direction Nationale de l'Hydraulique</i> (National Water Directorate)
DNSI	<i>Direction Nationale de la Statistique et de l'Informatique</i> (Central Statistics Office)
DSUVA	<i>Direction des Services Urbains de Voirie et d'Assainissement</i> (Directorate of Urban Road and Sanitation Services)
EDM	Energie du Mali – Société Anonyme (Electricity and Water Company of Mali)
EIG	Economic Interest Group
FCFA	African Financial Community Franc
FICT	<i>Fonds d'Investissement des Collectivités Territoriales</i> (Local Government Investment Fund)
GDP	Gross Domestic Product
GTZ	<i>Gesellschaft für Technische Zusammenarbeit</i> (German Development Agency)
IDA	International Development Association
MATCL	<i>Ministère de l'Administration Territoriale et des Collectivités Locales</i> (Ministry of Territorial Administration and Local Government)
MET	<i>Ministère de l'Equipement et des Transports</i> (Ministry of Public Works and Transport)
MHU	<i>Ministère de l'Habitat et de l'Urbanisme</i> (Ministry of Housing and Urban Development)
MMEE	<i>Ministère des Mines, de l'Energie et de l'Eau</i> (Ministry of Mining, Energy, and Water)
NGO	Non-Governmental Organization
PDUD	Urban Development and Decentralization Project
PDS	Preliminary Design Study
PO	<i>Permis d'Occuper</i> (Occupancy Permit)
PRSP	Poverty Reduction Strategy Paper
RGPH	<i>Recensement Général de la Population et de l'Habitat</i> (General Population and Housing Census)
SDAU	<i>Schéma Directeur d'Aménagement et d'Urbanisme</i> (Master Plan for Land Use and Urban Development)
SDU	<i>Schéma Directeur d'Urbanisme</i> (Master Plan for Urban Development)
SNQ	<i>Sauvons Notre Quartier</i> (Safeguard Our Neighborhood Program)
UDP	Urban Development Plan

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EXECUTIVE SUMMARY

This report takes stock of the experience that the World Bank has gained after 25 years of intervention in Mali's urban sector. It describes the situation in the urban sector and the lessons learned from the activities financed by the World Bank. It also explores the most promising starting points for future urban and municipal development support, which will form a basis for a discussion with the Government of Mali on sector policies.

With only 3.7 million city dwellers out of a total population of 11.7 million, Mali is much less urbanized than other countries in the region. However, its urban areas are growing very rapidly and the proportion of the total population living in urban areas is expected to virtually double by 2024.

Mali's cities already play a preponderant role in creating the country's wealth; the third of the population living in urban areas produces some 50 percent of the country's GDP. Mali's economy expanded at an average rate of 5 percent per year between 1994 and 2004. However, this sustained growth did little to reduce poverty, even though per capita income increased from FCFA 135,549 (USD 251) in 1993 to FCFA 181,980 (USD 337) in 2003. Approximately 30 percent of the urban population is poor and poverty has been increasing in urban areas because traditional support networks are disappearing and there are problems obtaining food, services, and housing. This growth also produced few new jobs and only 9 percent of the total population has a steady job in the formal sector.

The lack of roads, drainage, and basic services (water, sanitation, and electricity) lies at the heart of Mali's urban development problems. Outlying settlements have sprung up with no suitable access to infrastructures and basic services.

- Of the 66 neighborhoods in the District of Bamako, 19 have inadequate or no water supplies. The rate of access to water in other major cities with populations of more than 100,000 is only 29 percent. Energie du Mali (EDM – the Electricity and Water Company of Mali) is in the throes of an alarming financial crisis that leaves it unable to fund the necessary investments.
- The average rate of access to electricity is 55 percent in the cities supplied by EDM. The average rate in Bamako is 67 percent, but in the other major cities with populations of more than 100,000, the rate is only 35 percent.
- The number of urban households connected to the sewer system is very small, and Bamako is the only city with such a system. Only a minority of urban households have access to a latrine. Sewage, which is mainly carried through gutters or the streets, pollutes the soil, and consequently percolates down to pollute the groundwater.
- Waste collection is inadequate in Mali's cities and it fails to meet acceptable environmental standards. Urban roadways are poorly maintained and urban transportation is provided entirely by the informal sector, using old and poorly maintained vehicles that increase pollution and the number of fatal accidents.

- Opaque land management practices pose a serious problem for the security of land tenure, especially for poor households. These practices are also a hindrance to a fluid land market and they have a negative impact on urban development and economic activity.

This situation is the result of the shortage of funds for urban development, which means that it has not kept pace with increasingly rapid urbanization. In recent years, the central Government's investment in urban infrastructure represented only 6 percent of public investment, which is disproportionate to the role that cities play in creating Mali's wealth. Financing for urban infrastructure also relies heavily on external funding (70 percent). The urban municipalities outside of Bamako are not exploiting the potential for raising fiscal revenue, which has made it impossible to overcome this imbalance.

Investments made in urban areas as part of World Bank projects and projects financed by other donors have provided some of the infrastructure needed to keep pace with urban growth. Activities carried out as part of the Urban Development and Decentralization Project have helped to establish infrastructure, management policies, urban audits, Municipal Contracts, street addressing, urban tax, delegated management of public works contracts, etc. However, the efforts to improve urban management will have to be stepped up as part of the recent decentralization process.

A strong Government commitment to the urban sector is strategically important with respect to economic development objectives and fighting poverty.

Economic growth and development in rural areas would be sounder and more sustainable if Mali had a better integrated network of urban centers to enhance interactions between urban and rural areas, provide facilities for processing and consuming agricultural products, and support other economic activities, such as tourism, services, and trade. Cities are at the heart of the process of improving the investment and business climate. A network of this type would also encourage the development of the private sector in secondary cities by creating jobs, stimulating investment, and promoting local development.

On the basis of the review of the urban sector, this report recommends continuing efforts on two levels: (i) at the level of individual cities through targeted activities carried out under Municipal Contracts, and (ii) at the macro level through cross-cutting accompanying measures.

Activities at the level of cities should focus on a limited number of cities that play an important role in the economy. These activities should provide the technical and financial resources to plan infrastructures and basic services that meet the needs of the population and local economic development. Multi-year priority investment programs and municipal adjustment programs should be drafted for each city and subsequently set out in Municipal Contracts between the central Government and the municipalities.

This sector review highlights the need to coordinate cross-cutting accompanying measures around a number of targeted activities that have a potentially significant impact on the management and economic development of cities. Such activities include increasing urban tax revenue and transfers of funds from the central Government to municipalities, promoting local economic development, improving the land market and increasing the production of plots, ensuring financing and functioning of solid waste management, reinforcing cooperation between municipalities, and equipping the cities with urban planning tools.

FOREWORD

The World Bank has participated in urban development in Mali for 25 years through three sector projects funded by IDA. The most recent was the Urban Development and Decentralization Project, worth FCFA 43,200 million (USD 80 million), which ended in June 2005. This report comes at a suitable time for reviewing the experience that the Bank has gained and initiating discussions with Mali's Government about sector policies.

The strategic objectives for urban development have been defined in four documents:

- i) The Urban Development Strategy adopted by Mali's Government in 1996, which stresses the need to improve living standards by fighting urban poverty as part of the national decentralization drive.¹
- ii) The Framework Document for the National Decentralization Policy (2005) sets out the terms of reference for activities in these areas.² The key objectives for this policy include increasing local fiscal revenues and enhancing the ability to finance decentralization, harmonization of procedures for assistance from external donors, and strengthening cooperation between municipalities.
- iii) Mali's Poverty Reduction Strategy Paper (PRSP) (2002) is now being updated. It incorporates the *Esquisse de Schéma national d'Aménagement du Territoire* (National Land Use Planning Outline), which has the objectives of decentralization and ensuring the balanced and equitable development of Mali. These objectives are backed by economic reasoning and a political determination to promote rational and equitable development throughout the country. It calls for the strengthening of the development centers and the inter-urban corridors in each of Mali's regions. At the same time, it supports initiatives to help underdeveloped regions catch up by building critical infrastructure and facilities.³ The PRSP highlights the need to improve housing for the poor, more specifically through measures to improve sanitation and services in poor neighborhoods and by improving access to credit.
- iv) The World Bank's financial support for the sector is defined in the Country Assistance Strategy (CAS) 2004-2006. The main challenges that the CAS⁴ (in line with the PRSP) identifies in the medium and long term entail broadening the economic base and increasing growth so that the country can more readily

¹ The strategy has three main objectives (i) creating an environment that promotes attentive management of urban growth; (ii) improving living standards in urban areas by reducing urban poverty, and (iii) stimulating municipal cultural policies.

² The stated objectives are: developing local citizenship, providing services through the private sector, enhancing the decentralization of central government technical services, and stepping up the decentralization process at all levels.

³ PRSP – May 29, 2002.

⁴ The Country Assistance Strategy stresses three main themes that are directly in line with the PRSP pillars: (i) promoting growth; (ii) developing human resources; and (iii) management of public finances and governance.

withstand impact of climatic conditions. The Bank's assistance strategy for Mali highlights (i) development and diversification of sources of growth through financial environment improvements for business in order to promote private sector development, including micro-enterprises and small and medium-sized enterprises; (ii) building and maintaining basic infrastructure; and (iii) the participation of decentralized administrations, deconcentrated services, and local populations, while simultaneously building capacities. The Strategy is currently being updated and the new version is expected to be ready by the start of 2007.

Objectives of the Sector Review

The 2003 CAS highlights the need for a study of the urban sector taking into account the rapid growth of the urban population and determining sector priorities. The CAS stresses the value of an analytical study, at the time of completion of the Urban Development and Decentralization Project to ensure that progress achieved is consolidated and to continue activities in the sector.

This sector review will present:

- i) A review of the current state of the urban sector.
- ii) The lessons learned from previous operations.
- iii) The most promising starting points for future support for urban and municipal development.

I. URBANIZATION, INVESTMENT AND ACCESS TO SERVICES

1. URBANIZATION TRENDS

Mali's urban population remains considerably small. The estimated urbanization rate in 2005 stood at 31.6 percent, representing 3.7 million inhabitants out of a total population of 11.7 million⁵. The expansion of the urban population was markedly faster between 1987 and 1998⁶, with growth rates between 4.6 and 5.1 percent per year. The *Direction Nationale de la Statistique et de l'Informatique* (DNSI - Central Statistics Office) projections for 1999-2024 show rapid growth of Mali's urban population, which will nearly double as a proportion of the country's total population between 1998 and 2024, rising from 26.7 percent to 47.5 percent.⁷ These figures are taken from the DNSI's Scenario II, which projects a slight decline in fertility by 2024.

Mali's rural and urban population, 1998-2024

Year	1998	2005	2010	2015	2024	Average annual growth
Rural population	7,112,138	8,025,103	8,649,035	9,275,709	10,411,243	1.5%
Urban population	2,595,596	3,707,315	4,766,170	6,098,423	9,408,919	5.1%
Total population	9,707,734	11,732,418	13,415,205	15,374,132	19,820,162	2.8%
Urban pop./rural pop.	26.7%	31.6%	35.5%	39.7%	47.5%	

Source: DNSI. *Recensement Général de la Population et de l'Habitat* (RGPH – General Population and Housing Census) in Mali. Mali population projections (1999-2024).

Successive droughts over several years have increased migration to urban areas. In the long run, Mali's urbanization will be in line with the current patterns seen in Western Africa, where the average urbanization rate is 33.3 percent.⁸ Population pressures are being felt in the most economically attractive areas with good farmland and urban centers, especially Bamako.

2. URBAN NETWORK

Mali is a vast, flat, landlocked country covering 1,240,192 square kilometers. Its population density is very low, at slightly more than 9 inhabitants per square kilometer on average. Moreover, the geographical distribution of its population is very uneven. Population pressure is mainly felt in the south of the country, which gets more than 200 millimeters of rainfall around urban centers, in the fertile valleys of the Niger and Senegal rivers, and on the plains with good farming potential. The 100,000-square-kilometer triangle formed by Mopti, Bamako and Sikasso contains Bamako and four regional capitals. It is home to 60 percent of the country's urban population. Two current trends are noteworthy: the shrinking population of arid and semi-arid areas, and the

⁵ By extrapolating the data for 1998 on the assumption of a constant growth rate of 5.1 percent, whereas the national population growth rate is only 2.8 percent per year. General Population and Housing Census in Mali – DNSI 1998.

⁶ The most recent national population survey dates from 1998.

⁷ Based on Assumption II of a basic population growth scenario. Perspectives de la population résidente du Mali (1999-2024) Tome 6 – Bureau central du recensement- Recensement général –DNSI-2003.

⁸ The Urban Transition in Sub-Saharan Africa. C. Kessides. World Bank, December 2005.

increasing pace of urbanization. Successive years of drought have swelled the ranks of rural people moving to urban areas.

This migration seems to be reinforcing the current ranking of urban areas, despite the objectives of the Government in terms of land use planning and more balanced urbanization. The country has 112 cities with populations of 5,000 or more. There are only five cities with populations over 100,000 (Bamako, Ségou, Sikasso, Mopti, and Koutiala), and four cities with populations between 50,000 and 100,000 (Kayes, Timbuktu, Gao, and Kati).⁹ Bamako's population is estimated at between 1.2¹⁰ million and 1.4 million, which is ten times more than the country's second largest city, Ségou.

The urban network is very unbalanced, since Bamako was home to 32.7 percent of the country's total urban population in 2004, but each city in the network has a specific function, such as trade or business. There are cities with fertile agricultural hinterlands (rice, cotton), cities of emigrants that receive substantial remittances from expatriates, and tourist cities, such as Timbuktu and Djenné, which have been listed as World Heritage Sites by UNESCO.¹¹



Image 1: The Djenné mosque is a major tourist attraction.

Each of these cities also has critical administrative functions, which have been reinforced with the implementation of the decentralization policy. These cities also play a major economic role in production and trade. Some cities can also play a role in the development of a region by showcasing their traditional architecture and cultural heritage.

⁹ Source : PDUD, population projection (1997 CENSUS): Bamako 1.4 million ; Ségou 144,000 ; Sikasso 135,000 ; Mopti 134,000 ; Koutiala 122,000 ; Timbuktu 74,000 ; Kayes 67,000 ; Gao 60,000 ; Kati 57,000.

¹⁰ Medium growth hypothesis of DNSI.

¹¹ World Heritage Mosques (Djingarey-ber, Sidi Yahia and Sankoré).

This is the case for the cities on the “Ksour Roads”, which have been restored under the UNESCO initiative and have developed great potential as tourist attractions.

The Outline of the National Land-Use Plan and Regional Land-Use Plans¹² classifies Mali’s cities according to several criteria relating to demographics, economics, facilities, and infrastructure in order to identify potential centers for social and economic development. The Outline highlights the importance of: (i) the capital, the District of Bamako, because of its dominant role and its place as the center of the country’s economy, and (ii) the main secondary cities, represented by the regional capitals (except Kidal) and the city of Koutiala, because of their economic and administrative roles.

For these reasons, investment in urban areas is critical for fighting poverty and promoting economic development. It should be noted that the World Bank’s disengagement from the urban sector would lead to a decline in investment in a context where there are no domestic sources of funds or international donors to take its place, at least in the short term. It is also important that such investment does not increase the current imbalance in the urban network. Instead, it should focus on medium-sized and secondary cities to ease the current migratory pressure felt by Bamako.

Bamako, the Nation’s Capital

Bamako’s population growth is estimated at approximately 5.8 percent per year. Other sources give a much higher rate. According to the Mayors of the Bamako municipalities, the population figures given for Bamako in 1998, during the latest General Population and Housing Census, and in 2005 are greatly underestimated. Yet, there is disagreement about the size of the margin of error.¹³

Urbanization of areas outside of the city limits creates vast pendular migrations. In addition to the population living in Bamako itself, the population of neighborhoods outside of the District limits, such as Titibougou, Moribabougou, Niamana, and Dialacorobougou, adds to the pressure on services, infrastructure and land. Furthermore, there is seasonal migration to Bamako between October and May, which has not been accurately measured and is primarily determined by the level of rural poverty.

The increase in Bamako’s population has had a negative impact on (1) the growing inadequacy of basic services; (2) the expansion of informal settlements; and (3) congestion in the city center and increased pollution. By 2024, more than half of the country’s urban population is bound to be living in Bamako. However, the correlation between drought conditions which cannot be predicted over the medium and long-term, and rural flight, in a country where two thirds of the population is still living in rural areas, prevents us from making any accurate or reliable projections.

¹² Esquisse du Schéma National et des Schémas Régionaux d’Aménagement du Territoire au Mali. Études Régionales. République du Mali. Primature. Mission de Décentralisation. Projet PNUD/DAES/MLI/94/003. Fiches de synthèse. Rapport Provisoire. DIRASSET. September 1996.

¹³ The underestimation of Bamako’s population is primarily due to: (i) failure to include some of the population living in informal settlements, (ii) the rejection of the census by residents of informal settlements if the government does not undertake to clarify the legal status of the settlement, (iii) under-declaration for tax reasons (Poll Tax: Tax for Regional and Local Development).

This rapid increase in the urban population has led to a high consumption of land. Even in Bamako, growth has led primarily to horizontal expansion of the city. The area covered by the city increased from 1,200 hectares in 1960 to 19,000 hectares in 1980.¹⁴ Urban sprawl into thinly-populated outlying areas with inadequate infrastructure has resulted in social exclusion. This type of urban growth results in much higher infrastructure costs and an increase in commuting distances, which could have a negative impact on the productivity growth and economies of scale that usually come with urban development.

Integration of the population in the outlying areas is a key issue for Mali's urban development, since such areas have seen the highest population growth in recent years. These areas are also home to the youngest segments of the population and they are where problems relating to jobs, poverty, insecurity, and the environment are the most acute.

3. INFRASTRUCTURE INVESTMENTS¹⁵

Central Government investment in urban infrastructure accounts for only 6 percent of total Government investment. As in other sectors, financing for urban infrastructure relies on external funding.

Mali's *Budget Special d'Investissement* (BSI - Special Investment Budget) for 2000 to 2004 came to FCFA 948,601 million (USD 1,756 million), for an annual average of FCFA 189,720 million (USD 351 million). This investment was increased by 30 percent between 2000 and 2004.

External financing expanded from FCFA 130,236 million (USD 241 million) in 2000 to FCFA 148,977 million (USD 278 million) in 2004, which works out to an increase of 14 percent. On average, external financing stood at FCFA 143,570 million (USD 260 million) accounting for 76 percent of total investment.

Overall investment expenditures breakdown into spending on infrastructure (roads, community facilities, urbanization tools, etc.), which came to some FCFA 633,750 million (USD 1,230 million) or 70 percent of the overall investment expenditure

¹⁴ Mobilité urbaine. Étude régionale sur l'organisation, le financement et la rentabilité des micro-entreprises de transport urbain en Afrique subsaharienne. World Bank, 2000.

¹⁵ The results have been obtained according to the following principles (see Sec-Diarra):

- The outturns of the Special Investment Budget from 2000 to 2003 are deemed to be the investments made in Mali over this period. The projections for 2004 are in line with the average outturns for the previous three years, since no data is available for 2004.
- The review covers only the proportion of investment in rural infrastructures and facilities. This proportion is estimated at 80 percent, in line with project operating expenditures estimated at 20 percent of the cost. The proportion for investment in human resources is estimated at 60 percent, since training accounts for two thirds of the spending on human resources. The review also covers investment in infrastructures per se.
- Investment in urban areas has been determined on the basis of urban projects (Urban Development and Decentralization Project, PRODEC, and PRODESS).
- Investment in rural areas has been calculated by subtracting urban investment from total investment.

The proportion of funds provided by the central government and the national beneficiaries was calculated as an average of the counterparts, as assessed in the Special Investment Budget and project documents. The proportion of international funding was calculated as a function of domestic funding.

over the period under study. This works out to an annual average of FCFA 132,750 million (USD 246 million). On average, 30 percent of this expenditure is covered by domestic funding sources and the remaining 70 percent is financed through external funding.

Urban investment¹⁶ is the share of overall spending that goes to cities for infrastructure, various facilities, buildings, and utilities. The Government finances a relatively small share of urban infrastructure. The rest are built under development projects and programs, the largest of which have been the Urban Development and Decentralization Project (PDUD), with IDA financing of FCFA 43,200 million (USD 80 million), the Ten-Year Health Program, with 40 percent going to urban areas (FCFA 28,374 million, or USD 53 million), the Ten-Year Education Program, with 85 percent (FCFA 37,801 million, or USD 70 million) going to urban areas, and other smaller programs.¹⁷

Some urban amenities are also built by other development programs, NGOs, local governments and Government departments. It can reasonably be estimated that the investments at this level stood at FCFA 40,000 million (USD 71 million) between 2000 and 2004. Local government initiatives resulted in investments of approximately FCFA 23,000 million (USD 43 million) over the period under study, which works out to an annual average of FCFA 4,600 million (USD 8.5 million).¹⁸

Overall investment in urban infrastructure and amenities between 2000 and 2004 can therefore be estimated at FCFA 148,912 million (USD 276 million), which works out to an annual per capita average of FCFA 9,226 (approximately USD 17) between 2000 and 2004.

Rural areas account for the bulk of national investment expenditure. Nearly 70 percent of the population lives in rural areas. Rural investment between 2000 and 2004 can be estimated at FCFA 514,838 million (USD 953 million)¹⁹, which works out to an annual per capita average of FCFA 9,570 (USD 17.70). Per capita investment levels in rural areas are therefore equivalent to those in urban areas. Most of this investment is aimed at “catching up” so as to provide the rural population with acceptable living conditions. An examination of the objectives set in the various development programs and in the Poverty Reduction Strategy Paper shows that this pattern is likely to continue over the next few years.

In addition to this investment in catching up, the Government could invest in urban areas as well, since most of the value added and wealth creation originates from cities.

¹⁶ Urban municipalities are cities with populations over 5,000.

¹⁷ Cumulative investment made under the Urban Development and Decentralization Project reached FCFA 43,200 million (USD 80 million), which went primarily to the regional capitals and the District of Bamako, representing a total of ten cities with a combined population of 2,050,000. The Education Program invested some FCFA 44,472 million (USD 82 million), with the proportion spent in urban areas estimated at 85 percent of FCFA 37,801 million (USD 70 million). The Health Program spent a total of some FCFA 70,934 million (USD 131 million), with approximately 40 percent, or FCFA 28,374 million (USD 53 million) going to urban areas.

¹⁸ Report Sec-Diarra.

¹⁹ Idem.

4. ACCESS TO SERVICES

The lack of roads, drainage, and basic services (water, sewers, and electricity) lies at the heart of Mali's urbanization problems. Recently developed suburbs are especially lacking in infrastructure and services because they mushroomed without proper access to infrastructure networks. The shortage of funds for urban development means that it has not been possible to keep pace with increasingly rapid urbanization. Consequently, outlying areas are increasingly deprived of services and most of the inhabitants of these areas are living below the poverty line.

⇒ *Water*

The *Ministère des Mines, de l'Énergie et de l'Eau* (MMEE – Ministry of Mining, Energy, and Water) is responsible for the supply of drinking water and electricity. *Energie du Mali* (EDM - Electricity and Water Company of Mali)²⁰ is the sole official water producer and distributor in a number of Mali's urban areas and it shares responsibility for water supply with the *Direction Nationale de l'Hydraulique* (DNH - National Water Directorate), which is overseen by the MMEE. The central Government established the *Commission de Régulation de l'Électricité et de l'Eau* (CREE - Electricity and Water Regulation Commission) to regulate water and electricity supplies in urban areas.

The management of water supply systems in the 16 cities within EDM's concession is governed by a 20-year contract between EDM and the central Government. The contract requires EDM to invest in the systems and operate them. There are 49 urban centers or similar areas lying outside of EDM's concession. They break down into 27 regional centers with fewer than 10,000 inhabitants and 22 centers with populations in excess of 10,000. In these centers, the municipalities contract with private operators or non-profit associations to operate the systems. A private-sector operator chosen by the DNH oversees the technical and financial aspects of operating the systems.

EDM produced 62.0 million cubic meters of water in 2004²¹, but only received payment for 43.5 million cubic meters. The difference between the two figures stems from both technical losses and non-technical losses. On the basis of 2,408,838 inhabitants supplied by EDM, not counting industrial users, per capita water production came to about 71 liters per day²², which is lower than the average figure for most water suppliers in the region.²³

Between 1998 and 2002, the price of drinking water rose steadily²⁴, but not at a sufficient rate to enable EDM to achieve financial equilibrium in the water sector. At present, the cost of a cubic meter of drinking water is FCFA 112 (USD 0.20) for low-

²⁰ EDM is a Société Anonyme owned by the Aga Khan Foundation and Mali's central government.

²¹ Rapport Annuel d'Activités, March 2005.

²² The World Bank mission of January, 2006 has updated this number on the basis of new information. The daily production was estimated at 86 liters per day.

²³ Example: Côte d'Ivoire – 107 liters per day per person; Senegal – 116 liters per day per person.

²⁴ Except for low-volume customers in 2001.

volume customers.²⁵ The water business is not reported on a separate balance sheet or in a separate cash-flow statement. The lack of detailed cost accounting makes it difficult to determine whether revenue from drinking water covers the costs. The difference between costs and prices is likely to be smaller in the water business than in the electricity business. Yet, water accounts for only 20 percent of EDM's total revenues, which means that it is impossible to consider a separate development of the water business.

The drinking water production capacities are insufficient in Bamako, Kayes, Gao, Koutiala, and Kidal. In Bamako, the city's only water treatment plant (Djicoroni) operates over its stated capacity of 120,000 cubic meters per day during peak periods. This is the consequence of growing water consumption resulting from a nearly 70 percent increase in the number of customers between 2000 and 2004. The number of connections supplied by EDM increased from 55,665 in 2000 to 88,453 in 2004, which works out to a 58 percent increase and gives a coverage ratio of 61 percent in 2004. Some 35 percent of the urban population has access to an individual connection and 27 percent has access to a standpipe.²⁶ Neighboring countries have much higher coverage rates (Burkina Faso: 78 percent; Côte d'Ivoire: 85 percent; Senegal: 89 percent).

In 2002, EDM built 13,864 new connections, but this number dropped to 5,035 in 2004, following the elimination of subsidies for connections in needy areas ("*branchements sociaux*"). More generally, some 10,120 new connections would have to be built each year in the cities supplied by EDM in order to maintain a constant coverage ratio, given the 5.1 percent population growth rate per year.²⁷ An average of 8,133 new connections were built each year between 2000 and 2004.

The level of access to the water system varies from city to city and from one neighborhood to the next within the same city. In Bamako, the rate of access to water supply stands at 74 percent²⁸, while other large cities with more than 100,000 inhabitants and cities with fewer than 100,000 inhabitants supplied by EDM show rates of 29 and 52 percent respectively.²⁹ This average rate does not show the differences in the levels of access to water supplies within a given city. For example, even though the average rate for Bamako is relatively high, it should be noted that 19 of the 66 neighborhoods in the district have inadequate or nonexistent water supplies.

Not much information is available on the number of water connections supplied by the DNH or about the performance of the system of public standpipes. In aggregate, the urban centers that the DNH supplies have a combined population of more than

²⁵ Low-volume customers include standpipes and individual connections with consumption of less than 20 cubic meters per month.

²⁶ Aide-mémoire, World Bank Mission, January 2006.

²⁷ Assumption used in RGPH - DNSI.

²⁸ Counting the 1,377 standpipes in Bamako. With 400 persons supplied by a standpipe (EDM estimate), 39 percent of the population has access via a standpipe. The percentage of the population having access via an individual connection stands at 35 percent, given 10 persons served by a connection. Access to water in urban areas, defined in a more restrictive manner as the perimeter of EDM supply, is only 62 percent.

²⁹ Based on EDM's figures, but counting only individual connections. There are 679 public standpipes outside of Bamako, but the locations are not specified. If we count the public standpipes, we obtain a higher rate of access to water.

770,000 representing 21 percent of the urban population. Of these 49 centers, only 32 have a drinking water supply system. Only 11 of the 49 centers have water supplies that fully meet their needs. A striking example of the situation with regard to the public standpipes system can be found in Mopti, where 46 of the 157 standpipes have been shut down due to insolvency.³⁰

Investment under the “Water Supply” component of the Urban Development and Decentralization Project between 2001 and 2004 resulted in a substantial improvement in access to water in the cities covered by the project, and especially in Bamako and Mopti, where the neighborhoods selected for the project had no drinking water system. This improvement had a positive impact on public health (which has yet to be measured), employment (extension and maintenance of the system, management of public standpipes), and women’s living conditions.

Despite the progress made in building connections with the backing of the Urban Development and Decentralization Project, the increase in the rate of access to drinking water is still rather small in urban areas as a result of urban population growth, limited production capacity, a lack of distribution networks, and a freeze on investments by EDM which is going through an alarming financial crisis.

The Government of Mali drafted a National Plan for Access to Drinking Water for the period from 2004 to 2015. Consultations on the plan with the main technical and financial partners involved in the water sector were held in December 2004. Two action programs are proposed under the plan:

- Programs aimed at improving water resources awareness, and developing and implementing management tools for this resource so that the water administration, working in consultation with local governments which are the new contracting authorities, can ensure sustainable development of this sector.
- Projects for building and renovating water infrastructure at the regional and sub-regional levels, with the goal of meeting 75 percent of drinking water needs by 2015.

⇒ *Electricity*

Energie du Mali is the sole official electricity producer and main distributor in Mali’s urban areas. There is an interconnected power grid that supplies the central cities³¹, 19 isolated centers supplied by diesel generators³², and two centers in the South that are connected to the power grid in Côte d’Ivoire.³³

³⁰ Rapport d’Achèvement de la Composante Eau Potable, PDUD.

³¹ Bamako, Kati, Koulikoro, Fana, Dioïla, Ségou, Markala, Sélingué, Kayes, Kita, Yanfolila, Kalabankoro and Manantali.

³² Kouitala, Sikasso, Bougouni, Mopti, Djenné, Gao, Tombouctou, San, Kangaba, Niono, Ouélessebougouo, Bandiagara, Douentza, Diré, Niafunké, Goundam, Tominian, Kidal and Nioro.

³³ Kadiolo and Zégoua.

Total electricity production in 2004 stood at 720.8 GWh, but payments were received for only 541.1 GWh. However, it has yet to be determined if the difference stems from customers' failure to pay their bills or leakage within the system. Total electricity production corresponds to annual per capita production of 62 kWh, on the basis of the estimated aggregate population of 11.7 million, or annual per capita production of 276 kWh, on the basis of number of inhabitants supplied by EDM.

The number of connections increased from 77,677 in 2000 to 143,942 in 2004. This works out to an 85 percent increase and results in a coverage ratio of 55 percent in 2004, compared to a ratio of 36 percent in 2000, with an adjustment for population growth. It would take 10,104 new connections per year to maintain a constant coverage ratio, given the population growth rate of 5.1 percent per year. An average of 16,566 new connections were built each year between 2000 and 2004, due in part to subsidies for connections for needy customers ("*branchements sociaux*").

As is the case for water, EDM stopped providing subsidized connections in 2004. The number of new connections built by EDM thus decreased from 25,547 in 2002 to 15,100 in 2004.

The average coverage ratio is 55 percent in all of the cities supplied by EDM, but there are differences in the levels of access to service between cities. Bamako has a high average coverage ratio of 67 percent, while other large cities with more than 100,000 inhabitants and cities with fewer than 100,000 inhabitants supplied by EDM show rates of 35 percent and 47 percent respectively. In the Electricity and Water Policy Paper of 1998, it is estimated that only 8 percent of Mali's population has access to electricity.

⇒ *Sanitation and Sewage*

Sanitation is the responsibility of local governments, which are the contracting authorities. They must work with limited financial resources that stem in part from the road tax. The division of responsibilities between the local government, district government and central Government (the National Sanitation Directorate has one representative per region, including one for the District of Bamako) is often inadequately explained and there is little coordination of activities. Furthermore, informal settlements are often left out of sanitation projects. The need for investment in sanitation for the District of Bamako is very strong, but problems with cooperation between municipalities are hampering efforts to raise local funds and finance sanitation throughout the District.

The number of households connected to the sewage systems is very small. Only 33 percent of the population has an adequate individual or collective sanitation system in the form of a sewer network. In fact the only such system in Mali is in Bamako, where there is a network with 27 kilometers of pipes. This network is defective and requires major repairs. Sewage is polluting the soil and percolating down into the groundwater.

In the areas of Bamako with no sewers and in other cities, sewage runs mainly through gutters or the streets. Only a minority of households have access to a latrine.

⇒ *Solid Waste Management*

Solid waste management, in the broadest sense of the term, is the responsibility of the Ministry of the Environment. The recent decrees issued for the implementation of the *Pollution Law* are to be enforced by five different Ministries, which are to intervene in their respective areas of competence. The implementation of the Law is the responsibility of the National Directorate of Sanitation and Pollution Control, backed by the Regional Directorates established in all the Regions and the District of Bamako.

The situation in the *District of Bamako* is complex because of the concentration of population and a lack of clarity in the system. The links in the waste treatment chain are as follows:

Waste collection is carried out by Economic Interest Groups (EIGs). These EIGs are officially authorized by the local governments who are responsible for waste collection in their municipality. The authorizations specify the neighborhood(s) which the authorized EIG covers.

The EIGs' waste collection fees range from FCFA 1,000 to FCFA 2,000 per month (USD 1.85 to USD 3.70). The ratio of fees actually collected currently varies between 70 and 80 percent. Waste collection is the preferred disposal method for 44 percent of households. Yet, there is no oversight of the services provided by the EIGs. Households' disposal methods are summed up in the table below.

DISPOSAL METHOD	Total %
Trash heap in the concession	10.2
Spreading on vegetable gardens or fields	4.6
Incineration	8.9
Collection by an EIG	43.8
Trash heap outside the concession	9.4
Dumped at a disposal site	26.7
Collection by an individual operator	5.9
Dumped in a ditch	0.1
Dumped on vacant land	0.1
Dumped in the creek	0.2
No answer	1.5

Source: Solid Waste Management Strategy of Bamako. PDUD.

The EIGs operate with limited resources that enable them to provide collection services to between 41 and 47 percent of households in Bamako. The EIGs' chief weaknesses are: (i) insufficient or worn-out equipment, (ii) problems collecting fees for services, and (iii) lack of transfer stations. The running of the EIGs is still quite informal since authorizations are generally issued to any EIG that requests one, without checking

with the existing EIGs whether or not the neighborhood in question has a collection service. There are 23 EIGs that collect waste and deposit it at the transfer stations in Bamako.

The operation of the transfer stations is the responsibility of the municipalities. Serious problems exist with the transfer stations; they fail to meet technical standards, and they eventually become unauthorized dumping grounds since the municipalities lack the resources to transport waste to the final disposal site. This means that the lack of genuine transfer stations within the municipalities constitutes a major obstacle to sound waste management within the District of Bamako.



Image 2: Waste collection by EIGs.

The transfer of waste to “authorized” disposal sites outside the city is handled by the District of Bamako, through: (i) the *Direction des Services Urbains de Voirie et d’Assainissement* (DSUVA – Directorate of Urban Road and Sanitation Services), which is responsible for removing waste from transfer stations and unofficial disposal sites; (ii) the Technical Support Unit for Municipalities in the District of Bamako, which manages several of the contracts awarded by the Public Works and Employment Agency; and (iii) the *Urban Environmental Protection Brigade*, which oversees the enforcement of various regulations, and helps raise public awareness and provide information for citizens.

At present, Bamako has only one controlled landfill site at Doumazana, a former quarry located about 10 kilometers from the city. The District and the Ministry of the Environment have selected two sites in Bamako for the construction of two new engineered landfills. These are the Noumoubougou and Dialakorobougou sites, which are both located about 30 kilometers from Bamako. Funding for the project is not yet

available and there is a dispute between the central Government and some private citizens about the ownership of the Dialakorobougou site.

The District of Bamako has seen a steady decline in its resources for waste management. Consequently most of its vehicles are in very bad condition and poorly maintained. It should be noted that the Sanitation Directorate was created by a decision of the Mayor of the District of Bamako and a manager was subsequently hired. Apart from these administrative measures, the District of Bamako did nothing to equip the Directorate with necessary human resources or adequate funding to finance the pilot programs that the World Bank had agreed to support. Consequently, the Directorate was never operational and the manager was relieved of his duties.

The annual amount of waste produced in Bamako is 595,359 cubic meters, which works out to 0.50 cubic meters per capita.³⁴ The production of household waste, which accounts for 63 percent of total waste produced, or 376,699 cubic meters per year, works out to 0.31 cubic meters per capita. The Urban Development and Decentralization Project estimates that 46 percent of the total waste produced is removed from the city, leaving 300,000 uncollected cubic meters.

The cost of collecting waste is between FCFA 2,900 and FCFA 3,500 (USD 5.40 to USD 6.50) per cubic meter, which amounts to an aggregate cost of some FCFA 794 million to FCFA 959 million (USD 1.5 million to USD 1.8 million).³⁵ This represents between 8.5 and 10.2 percent of the annual budget of Bamako, including the District and the six municipalities.³⁶ The Strategy for Solid Waste Management in Bamako estimates capital and operating requirements for the next ten years at FCFA 27 billion (USD 50 million), which is approximately three times greater than Bamako's annual budget.

The District does not collect any taxes or fees directly related to waste management, which means that the DSUVA cannot count on a stable budget to cover its needs. The main sources of funding for solid waste management are: (i) fees paid by households for the EIGs collection services; (ii) road tax (which generates some FCFA 80 million per year, equivalent to USD 148,148); (iii) the Local and Regional Development Tax; (iv) the Business Tax (which currently generates between FCFA 650 million (USD 1.2 million) and FCFA 700 million (USD 1.3 million) in revenue for the District); (v) the bicycle tax; (vi) the Street Lighting Tax; and (vii) Market Stall Fees (FCFA 50 (USD 0.09) per day for merchants and rent charged to shopkeepers).

The activities of the DSUVA have been made difficult, or even impossible, by the chronic lack of funds and equipment, the lack of a disposal site meeting acceptable environmental standards, the lack of genuine transfer stations, and the lack of political will seen in many leaders.

³⁴ Assuming that Bamako has a population of 1.2 million.

³⁵ Calculation method: 595,359 cubic meters * 2,900 [3,500] FCFA/cubic meter * 0.46 percent = FCFA 794,208,906 [958,527,990].

³⁶ FCFA 9,370 million (USD 17 million).

A Strategy for Solid Waste Management in Bamako, produced in 2003, recommended the following actions:

- (i) Reorganizing the institutional framework: The redefinition of solid waste management responsibilities in Bamako is now underway.³⁷ Ambiguity about the respective responsibilities of the District and the Municipalities has a negative impact on waste collection, which operates as a two-speed system; (a) the first is the speed of waste collection by the EIGs, which is respectable despite the limited resources, and (b) the second is the speed of the other parts of the system, which fail to perform their respective tasks fully. Institutional support action could focus on: (a) reorganizing DSUVA, and (b) reorganizing the EIGs to improve waste collection and viability of the service.
- (ii) Organizing the removal of waste to transfer stations and two disposal sites: (a) cleaning up and officially designating the transfer station sites, and (b) handing over the two sites selected for engineered landfills to the District (one site on each bank of the Niger River).
- (iii) Improving the scale of user fees and fee collection. The strategy is aimed at adjusting fees to the amount of waste produced and the various users' ability to pay, as well as to the actual cost of removing waste.

For the other cities, the information available on solid waste management is insufficient to give a precise description of status. Some efforts are being made in the area of collection by EIGs, but there is still a lot left to do. As in Bamako, there are serious problems in terms of transfer stations, which do not comply with technical standards and constitute dumping grounds in the long term, due to the lack of resources to transfer waste out of the cities. Moreover, there are practically no engineered landfills that live up to environmental norms. With the assistance of the donor community, eight urban areas have been equipped with strategic sanitation plans, but due to the lack of resources and political will, the plans have not been implemented in practice. In terms of future operations, these strategies will have to be re-examined with the intent of operationalizing them through a stronger involvement of the local governments.

⇒ *Urban Roads*

The road network is the responsibility of the *Ministère de l'Équipement et des Transports* (MET – Ministry of Public Works and Transport). Mali has one of the lowest road densities in the world, with 1.04 kilometers of road for each 100 square kilometers. The same indicator stands at 3.10 in the Economic Community of West African States (ECOWAS) and 4.70 in Sub-Saharan Africa as a whole. Mali has 13,000 kilometers of roads of national interest, of which some 3,000 kilometers are urban roads or paved inter-urban roads. The other 10,000 kilometers are made up of 8,300 rural dirt roads and 1,700 kilometers of urban and inter-urban dirt roads. The general condition of these roads varies enormously from one type of road to the next. In 2002, 43.5 percent of the paved roads

³⁷ An update of the legal framework is overdue, as the most recent decree in the area of solid waste management dates back to 1994.

were in fairly good condition, as opposed to 28.3 percent of urban and inter-urban dirt roads and 4.0 percent of rural dirt roads.³⁸ The Road Classification Law (No. 05 041) of July 22, 2005 establishes four road categories: national roads; regional roads; local roads; and municipal roads. Municipal roads are: (i) roads for use at the municipal level that only concern a single municipality; and (ii) roads between the municipal center and the surrounding villages or between villages in the same municipality.

Maintenance of urban roads is the responsibility of the central Government (national and regional roads) or the local government (local and municipal roads). Under the Urban Development and Decentralization Project, a system was designed to provide financing for road maintenance. Local governments were required to make annual payments to the Maintenance Account held with the Public Works and Employment Agency (AGETIPE – *Agence d’Exécution des Travaux d’Intérêt Public pour l’Emploi*) to cover the cost of maintaining their infrastructure. The central Government was to provide two-thirds of the financing. The central Government’s share of the financing reached 61 percent of the amount stipulated, whereas local governments came up with less than 39 percent of their share.



Image 3: Roads financed by the Urban Development and Decentralization Project in the ACI 2000 neighborhood of Bamako.

Between 2000 and 2004, the cities involved in the Urban Development and Decentralization Project contributed FCFA 1,133 million (USD 2.09 million) to the Maintenance Account. When central Government financing is added in, the total sum spent on maintenance of urban infrastructure came to FCFA 3,187 million (USD 5.90

³⁸ République du Mali. Le transport, facteur de croissance équitable. 20 février 2004. Banque mondiale, Région Afrique. Secteur Transport (AFTTR).

million). This works out to per capita spending of FCFA 995 (USD 1.84) over five years and FCFA 199 per capita and per year, or USD 0.36.

The municipality that posted the best performance over the period under review was Mopti, with a total contribution of FCFA 73 million (USD 135,000). The poorest performers over the period under consideration were Gao, with FCFA 4 million (USD 7,400) and Koulikoro, with FCFA 18 million (USD 33,333). The District of Bamako made total payments of FCFA 881 million (USD 1.6 million), which works out to an annual average of slightly less than FCFA 200 million (USD 370,000), which is much less than required to maintain the infrastructures acquired under the Urban Development and Decentralization Project.

Infrastructure maintenance today is inadequate because municipalities allocate few resources for this expense in addition to their contribution to the Maintenance Account. Any future projects in urban areas must stress the importance of ensuring maintenance over time, including financial arrangements to prevent the deterioration of infrastructure.

Drafting Municipal Contracts (see Chapter IV, Recommendations) will make it possible to identify and quantify each municipality's urban road repair and construction needs.

⇒ *Urban Mobility*

Urban mobility problems are acute in the city of Bamako, because of the constraints imposed by the site and the public transport system that relies entirely on informal operators.

Constraints Imposed by the Site. Physical constraints are particularly acute in Bamako, with the radial structure of the infrastructure networks and the concentration of business activity in the city center where street vendors set up their businesses completely haphazardly, making transport problems worse. Most of the city's business activity is concentrated in the old European quarter on the left bank of the Niger River. Recent urban developments have taken place across the Niger River, where the rates of population growth are the highest (estimated at 10 percent per year) and where more than 60 percent of the city's population now lives. The only substantial investment in the last ten years to deal with the resulting problems has been the construction of a second bridge across the Niger River. Low-income residents are entirely reliant on informal operators for their transport needs.³⁹

³⁹ Étude régionale sur l'organisation, le financement et la rentabilité des micro-entreprises de transport urbain en Afrique subsaharienne. Tome II- Le cas de Bamako- Banque mondiale, novembre 2000.



Image 4: Taxi at the Mopti bus station financed by the Urban Development and Decentralization Project.

Informal Public Transport. The number of registered minibuses and buses in Bamako rose from 730 in 1995 to 4,454 in 2001. Much of the increase stems from the expansion of para-transit services provided by 14-to-25-passenger minibuses.⁴⁰ This type of service meets a market need and provides transportation in underprivileged areas. It provides direct routes and rapid and flexible service. Unfortunately, it raises three problems that tarnish its image:

- Dangerous driving and links with crime and violence. The statistics on accidents in Bamako in 2001 show that 36.7 percent of the fatal accidents caused by four-wheeled vehicles involved minibuses, which account for only 18.0 percent of the licensed vehicles.⁴¹
- Congestion of urban areas, and
- Pollution caused by vehicles that are old and poorly maintained.

Buses and minibuses carry 400,000 passengers in Bamako each day. The main shortcomings of the service are the lack of marked bus stops, bus depots and bus shelters.

Productivity in Mali's urban areas will decline rapidly if urban transport issues are not taken up with all the necessary attention and political determination to manage the sector comprehensively and effectively, especially in the Bamako metropolitan area. Urban management capacities and sub-sector coordination at the city level will have to be reinforced in order to make progress in this area. In the medium term, greater investment in urban infrastructures will also be required and certain traffic management measures should be taken very soon to improve the current situation in Bamako in particular.

⁴⁰ République du Mali. Le transport, facteur de croissance équitable. 20 février 2004. Banque mondiale, Région Afrique. Secteur Transport (AFTTR).

⁴¹ Étude de restructuration des activités routières de la DNT. September 2003.

⇒ *Healthcare and Education Facilities*

The division of responsibilities and powers under the terms of the laws and decrees dealing with decentralization⁴² still needs to be clarified in practice, particularly with regard to investments in healthcare and education and their management. The Municipalities still do not possess the capacity to manage the sectors transferred to them more than two years ago. The central Government still covers the wage bill, but employees are hired at the local level and local governments are responsible for constructing and maintaining buildings. In Bamako, the division of responsibilities between the District and the Municipalities raises problems with regard to the management and maintenance of facilities.

The rate of access to healthcare services (people living within half an hour of healthcare services) improved between 2001 and 2003, rising from 38 to 42 percent. The improvement is particularly noticeable in Bamako, where the access rate increased from 62 to 77 percent. According to the 2001 *Enquête Malienne sur l'Évaluation de la Pauvreté* (Mali Poverty Assessment Survey)⁴³, the rate of access to education services (children aged 7 to 12 living within half an hour of a school) is 80 percent in urban areas, for schools operating on a double-shift basis. Investments in healthcare and education were primarily carried out under the Ten-Year Health Program and the Ten-Year Education Program, which also covered Mali's urban areas. Healthcare expenditure absorbs 2.6 percent of household income in Bamako and education expenditure absorbs 1.6 percent.

Once again, drafting Municipal Contracts and conducting urban audits will make it possible to survey the situation and identify priority investments to be planned for repair work and new construction in each municipality.

⇒ *Commercial Facilities*

The municipalities are responsible for managing markets and covering the cost of maintaining market facilities. The markets are poorly managed in many cases and some of the income from fees paid by stallholders and fees for the use of public property do not end up in the municipal budget due to corruption in the fee collection system. Yet market facilities produce revenue that represents a major potential source of financing for municipalities. This potential should be fully utilized.

To date, no studies have been done to evaluate the potential of Bamako's markets. The little information that is available concerns the markets managed by the District of Bamako, which are the Médine Market and the Grand Marché. The revenue from these

⁴² The Local Government Law 95-034 of April 12, 1995 makes the municipalities responsible for: (i) preschool teaching and literacy training, (ii) elementary schools, (iii) dispensaries, maternity clinics, public health, sanitation, and community health centers, (iv) municipal infrastructures, (v) fairs and markets, (vi) rural and urban water supply, (vii) sports, arts, and culture.

⁴³ *Enquête Malienne sur l'Évaluation de la Pauvreté (EMEP-2001)*. June 2004. République du Mali. Ministère du Plan et de l'Aménagement du Territoire.

markets comes to FCFA 351 million (USD 650,000), whereas the potential revenue could be FCFA 605 million (USD 1,120,000).

Conducting urban, as well as financial and organizational audits will give a clearer idea of the potential revenue from commercial facilities and help implement an appropriate management system to make such facilities profitable for the municipalities.

5. LAND AND HOUSING

⇒ *Land*

The general conditions on the urban land market are very similar to those found in other Sub-Saharan African countries. Mali's situation, however, is different because of the decentralization drive that started in 1991 and, although the legislative framework greatly restricted the transfer of responsibility for land management to local governments, mayors regularly encroach on the central Government's land management prerogatives and allocate plots of land.

Under the decentralization drive, central Government land was not transferred wholesale to the municipalities, but was rather ceded to the municipalities at their request and in accordance with their needs. Similarly, land administration was not handed over to the municipalities, but the central Government staff was spread out, with a representative of the Public Lands Administration in each municipality. The law stipulates that any public or private landowner may create new subdivisions of land in urban areas. The central Government may transfer land to a municipality free of charge if the proposed use justifies it (e.g. public services).⁴⁴ The municipal authorities then allocate the plots, but their allocation must then be approved. In practice, however, many mayors allocate plots without the consent of the Public Lands Administration. The allocation of land by mayors was suspended in 2000, but it continues in practice pending clarification of the different players' responsibilities. Such clarification now seems critical.

The Public Lands Administration can ascertain the number of ownership deeds issued. The number stands at 64,782 in both urban and rural areas, with more than half (37,353) issued in Bamako⁴⁵. Yet, information about municipal land subdivisions ("*lotissements*")⁴⁶, the old *Permis d'Occuper* (PO – Occupancy Permits), and the more recent *Concession Urbaine d'Habitation* (CUH - Urban Residency Permits) is difficult to obtain and unreliable (see Table below: Land Rights). There are practically no reserves of public land left in the District of Bamako. The Public Lands Administration was conducting an inventory of land still available in the District of Bamako and the main cities in 2005. Such an inventory is a prerequisite for making decisions about the locations of development projects.

⁴⁴ Requests from municipalities and private investors must come with a land use plan and comply with the municipality's urban development document (SDAU, SDU or UDP).

⁴⁵ As of March 31, 2005.

⁴⁶ Particularity after the suspension of land allocation by municipalities.

The land market is opaque and there is a lack of information. Street Addressing was introduced in Kayes, Sikasso, Ségou, Mopti, Gao, and Bamako, making computerized files of the street indexes and addressing maps available as part of the Urban Development and Decentralization Project. There is no land register, except in Municipality I of Bamako, and it is not operational yet. The Municipal Land Management Project (PAFOC), which was started in 2003 with funding from GTZ⁴⁷, is supposed to finance a land register in 6 local areas, including three urban areas: Ségou, Kati, Koulikoro (Ségou region).

Opaque land management practices are a major hindrance to security of land tenure, especially for poor households. The process of obtaining a proper deed to land is extremely long, difficult, and costly (see Table below: Land Rights). Some 54 percent of urban households own land, but only 7 percent hold a proper deed to their land and 48 percent of landowners have no official deed. Opaque land management practices are also a serious hindrance to a fluid land market and they have a negative impact on urban development and economic activity. Access to land is considered to be an obstacle to economic development. In the tourism sector, 45 percent of the firms deem that land problems are a serious constraint.⁴⁸

Low-income population groups do not participate in the official land market. They cannot afford the lots that the *Agence de cession immobilière* (ACI – Land Development Agency)⁴⁹ auctions off at market prices. The number of subsidized plots that the central Government creates under the nationalized land system is still limited and the criteria for allocating such plots are not transparent. The only option available to most would-be landowners is to deal with the traditional owners in order to obtain a plot. This would mean, however, that they would have no official title to their land. The lack of a transparent and properly run land market means that informal settlements spring up on lots sold by traditional owners, without adequate infrastructure.

In conclusion, land ownership is made more difficult for the majority of the population by the extreme centralization of administrative procedures and the high costs involved, which lead to delays in obtaining deeds to land, and by the rapid depletion of the central Government's land reserves. Consequently, so-called "spontaneous" settlements have sprung up around Bamako, outside of the District limits. Bamako's growth is an uncontrolled process involving many formal and informal players: traditional landowners, local governments, and national authorities. Land management practices are tainted by patronage and urban plots are used as a political instrument for regulating potential social conflicts.

⁴⁷ Three years of tests, followed by four years of execution, for a total of seven years.

⁴⁸ Mali Investment Climate Assessment. Summary- September 2005.

⁴⁹ A Land Development Agency was set up under the Second Urban Development Project to manage the sale of 5,000 plots and to monitor sales during the Urban Development and Decentralization Project.



Image 5: Area Developed by the ACI in Bamako.

Some initiatives have been taken to improve access to land ownership:

- *Safeguard Our Neighborhood Initiative*

In 1999, the District of Bamako undertook a program called *Sauvons notre quartier* (SNQ -Safeguard Our Neighborhood) with the aim of rapidly restructuring 24 informal settlements in Bamako. Various political, institutional, financial, land ownership and operational issues revealed the shortcomings of the program intended to improve living conditions for the poor. SNQ never managed to assert real control over the land in either the informal settlements or the planned resettlement areas. The resettlement areas were systematically occupied by new squatters, instead of the people they were originally intended for. Progressively, all control of land management was lost and Mali's Government had to suspend the allocation of plots for the first time in 1996 in order to halt land speculation. This effectively ended the SNQ initiative.

- *The para-public structure for land development and sales: the ACI*

ACI was set up in 1992 to enhance transparency in land markets and in the allocation of land. ACI was set up as part of a subdivision development project (“*lotissements*”) for various income groups based on equalization, with a special focus on covering the costs of the operation. The Agency was supposed to ensure the involvement of private capital in development operations (bulk sales of lots to some large business corporations by ACI). The objective of opening up ACI to private capital was to end the Government’s de facto monopoly.

Urban land production: central Government, para-public, private, and informal circuits

The central government circuit produces residential lots through subdivisions of government land (“lotissements”). But its contribution to the production of residential lots is now negligible because this circuit has been undermined by two decades of unlawful practices and cronyism, by the mayors’ interpretation of the new laws and regulations governing land management, and by the fact that reserves of government land have been used up.

The procedure for allocating plots in government subdivisions has not undergone any fundamental changes as a result of replacing Occupancy Permits (PO) with Urban Residency Permits (CUH), which, unlike the former, is a right to land that can be used as collateral but not mortgaged.

A deed is issued if the plot is developed within three years of being allocated. However, deeds are still issued by the Public Lands Administration (“Domaines”), whereas Urban Residency Permits (CUH) are issued by mayors, who then send a copy to the Public Lands Administration. The plot holder must pay the fees for urban services (FCFA 101,000 in Bamako (USD 187)), plus the cost of servicing the plot. This means that the selling prices set by the government are often lower than the true costs and much lower than the market prices in all cases. The price of a plot with a deed in a government subdivision (“lotissement domanial”) is higher, but still lower than the market price. ACI sells plots at a much higher price: FCFA 3 million to FCFA 6 million (USD 5,550 to USD 11,000) for standard serviced plots.

The para-public structure for land development and sales: the ACI. An “Urban Development Account” was set up to deposit the revenue from land sales under the First Urban Development Project. The purpose of the account was to ensure the replication of the transactions. Even though the central Government signed an agreement to pay the amounts due into the District of Bamako’s Urban Development Account, the Treasury withheld the corresponding amounts to pay off the District’s debts to the central Government. Under these circumstances, ACI was set up in January 1992 to enhance transparency in the allocation of land by holding public auctions to sell serviced plots in Baco-Djikoroni and Kalanba-Coura.

Private investors and developers. Under these circumstances, private investors and developers usually go through ACI to buy land. However, they can still buy directly on the market. Government lands can be sold to private investors if they submit a development plan that is approved by the Direction Nationale de l’Urbanisme et de l’Habitat (National Directorate of Urban Development and Housing). In this case, a notice of the transaction is published, the lot is marked off and the Public Lands Administration issues a deed.

Informal circuits are dominated by traditional landowners. This circuit is the only means for the vast majority of Bamako residents to have access to land. Uncontrolled growth of these circuits gave rise to all of the “spontaneous” neighborhoods in Bamako. They also helped Bamako to sprawl far beyond the limits of the District.

These circuits offer a relative security of land tenure, but they are now coming under pressure from the market. Land rights are governed by a dual legal system, since customary law is recognized in Mali, but asserting customary land rights brings up a series of problems that make land tenure in informal neighborhoods more insecure.

ACI's target customers are solvent buyers. ACI auctioned off 5,000 plots in the first two years of its existence in 1992 and 1993. The buyers were mainly middle and senior management employees (38 percent), Malian expatriates (17 percent), and merchants (17 percent), with other social and occupational categories constituting the rest of the buyers. ACI carried out the vast majority of the official land development operations in Bamako under the Urban Development and Decentralization Project.

In order to measure the importance of the ACI tool in formal urban land production in Bamako, one must compare the 10,892 plots⁵⁰ that the ACI produced and put up for sale in Bamako between 1995 and 2004 with the 19,000 plots created by municipal subdivisions (“*lotissements*”) between 2000 and 2005 in the District as a whole, or with the total of 337,353 definitive deeds issued across the whole country since colonial times.

Land Rights: Urban Residency Permit (CUH) - Allocation Note (Lettre d'attribution) - Deed	
In urban areas	In urban and rural areas
<p>Urban Residency Permit</p> <ul style="list-style-type: none"> - undeveloped land registered as central or local government property - administrative request (Circle or District) - Allocation Note - Occupancy Permit (PO) and specifications - development and statement - deed and payment - otherwise lot is taken back 	<p>Allocation Note</p> <ul style="list-style-type: none"> - undeveloped land registered as central or local government property - administrative request (Municipality, Circle or District) - Allocation Note and specifications - development and statement - deed and payment - otherwise lot is taken back
<p>Land Ownership Deed</p> <ul style="list-style-type: none"> - transfer after development - request for private sale - or public auction - sale subject to development - final sale 	<p>Land Ownership Deed</p> <ul style="list-style-type: none"> - transfer after development - request for private sale - or public auction - sale subject to development or final sale
	<p>Emphyteutic or ordinary lease</p> <ul style="list-style-type: none"> - land registered as central or local government property

Source: Composante Institutionnelle, foncier et urbanisme dans le contexte de la Décentralisation. Alain Rochegude. World Bank, 1995.

It still takes two to three years to obtain a deed. Five years ago, the process of obtaining a deed involved 42 different steps. In ACI transactions, it only takes two or three months to obtain a deed.

Mali's central Government established a legal arrangement to make it easier to obtain deeds. This arrangement, however, has still not been implemented. It includes Decree 3424/P-RM of July 2005 which sets the sale price of urban land that belongs to the central Government for residential use through the transformation of Allocation Notes, Occupancy Permits, and Urban Residency Permits into deeds, as well as the interministerial instruction dated April 14, 2006, that specifies the requirements for registering, subdividing, and allocating land.

⁵⁰ 10,892 plots on the sites of: Baco-Djicoroni Extension West (1,200), ACI-2000 (3,610), Garatiguibougou (306), Cité du Niger (42), Sangarégoubou (121), Baco-Djicoroni Sud Extension (4,595) and Yirimadio (1,018)

ACI is now facing problems stemming from the dwindling supply of land from the Government and the lack of high-income customers. In the future, ACI will have to develop plots to a lower standard to make them affordable for a larger share of the population. It will also have to extend its activities to other cities outside of Bamako and build up its own reserves of land to end its dependence on the Government.

⇒ *Housing*

Housing needs have increased with the growth of urban areas. The growth of informal housing in Bamako and other major cities is testimony to this trend. Mali adopted a National Housing Strategy in 1995 and a National Strategy to Provide Access to Decent Housing for Low-Income Population Groups in 2000, but most of the measures proposed are more likely to help medium and high-income groups, rather than low-income groups. There has not been sufficient time to assess the impact of the strategy adopted five years ago. Implementation of the strategy requires sweeping changes in the practices of urban stakeholders. Nevertheless, the objectives set for the National Housing Strategy were not achieved. Between 1996 and 2003, real estate companies only produced 1,241 housing units and 7,500 serviced plots. Informal systems and self-built housing meet the needs and suit the social and economic conditions of most of Mali's population.

In 2002, more than 45 percent of Bamako's population lived in informal settlements⁵¹, where 80 percent of the residents consider themselves to be homeowners. However, their title to the land could be contested, though it rarely happens, because they only own their houses and not the actual land. It is estimated that 70 percent of all buildings are self-built housing, meaning that they were built by the informal sector. Given the insecurity of land tenure, residents deem this construction system to be more effective for acquiring housing and securing land tenure.

The *Ministère de l'Habitat et de l'Urbanisme* (MUH - Ministry of Housing and Urban Development) changed its position when it approved the National Strategy to Provide Access to Decent Housing for Low Income Population Groups in 2000, putting the accent on "social" projects, where subsidies cover at least 60 percent of the cost. In fact, such projects are aimed at middle-income groups made up primarily of civil servants. They were the main beneficiaries of the 3,500 subsidized housing units which the Ministry built in 2005 (2,588 in Bamako, 912 in other cities). But not enough new housing has been produced to balance supply and demand. For example, there are 6,000 applications for the 320 new housing units now being built in Bamako.

The housing financing arrangement is not suited to the situation on the real estate market or the ability to pay off the majority of urban households but rather suits the needs of higher income groups. Financing for housing depends primarily on *Banque de l'Habitat du Mali* (BHM - Housing Bank of Mali), which is the only institution likely to propose long-term loans to homebuyers. Yet BHM is facing major financial problems.

⁵¹ Modernisation de quartiers urbains sous-intégrés - Revue d'évaluation du pays - Mali. World Bank, AFTU 1 & 2. January 2002.

The problems encountered in developing mortgage lending stem primarily from the narrowness of the domestic market, insecurity of land tenure, credit risks, the lack of long-term funding availability, the cost of such funds, and high lending rates. It is still too soon to assess the effectiveness of the entry of the *Réseau des Caisses d'Épargne et de Crédit du Mali* (Nyésigiso – the Savings and Credit Network of Mali) into the housing loan business.

Despite the tax incentives for real estate developers⁵², the latter have not contributed to the production of low-income housing. According to the *Association Promoteurs Immobiliers du Mali* (APIM - Mali Real Estate Developers' Association), the cheapest housing produced by the formal private sector is affordable only for households with a stable monthly income of FCFA 120,000 (USD 220) or more, provided they take out a loan, and they already own the land. This means such housing is affordable only for the upper levels of the middle-income group, which is defined as households with incomes of three to six times the statutory minimum wage. In 2005, APIM estimated that Malian citizens living abroad accounted for 60 percent of their customers. The figure for luxury developments by ACI is closer to 90 percent. Construction costs are very high since most building materials are imported, including the cement used for middle-class and upper-class houses. Cement is imported mainly from Senegal, Togo, and Côte d'Ivoire. The prices are high because transportation costs double the initial prices. The price per cubic meter for standard quality construction is estimated at FCFA 120,000 (USD 222), and the cost of building a 75-square-meter home is estimated at FCFA 9 million (USD 17,700), not including the land.⁵³

The construction cost data are to be compared to the monthly income of Mali's population:

- The statutory minimum wage provided a monthly income of FCFA 28,000 in 2005, or USD 52.
- In the civil service, minimum monthly income was FCFA 87,000 (USD 161).
- In the informal sector, the average monthly income in 2001 was FCFA 37,000 (USD 69), but more than half of workers in the sector earned less than FCFA 20,000 (USD 37) per month. This sector employed 320,000 people in Bamako in 2001.
- Average monthly income in Bamako in 2001 stood at FCFA 53,000 (USD 98), but half of the workers earned less than FCFA 30,000 (USD 56).

In conclusion to Chapter I, the situation described above shows the need for trade-offs and making strategic action choices. Given inadequate investment and the huge needs, trade-offs will involve the services, facilities, and infrastructure holding the most promise for social and economic development in Mali's cities, and the accompanying measures that will best promote the effective devolution of responsibilities to local governments and private-sector partners. The strategic choices are set out in Chapter IV, Recommendations.

⁵² République du Mali. Secrétariat Général du Gouvernement. Décret n° 00274 / P-RM du 23 juin 2000 déterminant les modalités d'attribution des avantages accordés aux promoteurs immobiliers.

⁵³ Number provided by AGETIPE in 2005.

II. DECENTRALIZATION AND LOCAL FINANCES

1. INSTITUTIONAL FRAMEWORK FOR DECENTRALIZATION: IN LAW AND IN PRACTICE

⇒ *Institutional Changes*

Successive adjustments have been used to implement decentralization since 1996. The guiding principles for the decentralization policy were set at the National Conference in June 1991. The Decentralization Law of 1996 led to the creation of 703 municipalities, including 112 urban municipalities with populations of more than 5,000 and full authority with regard to development issues. Mali now has 761 local government units, consisting of 703 municipalities, 49 circles, 8 regions, and the District of Bamako.

Law 93-008 of 1993 and Law 96-056 of 1996 set out the guiding principles for decentralization, including independent administration by local government, the principles of territorial divisions, local governments' control of regional and local development projects, and the exercise of their powers under the supervision of the central Government.⁵⁴

Territorial Divisions							
	Area (Km ²)	Population (Thousands)	Density (Pop/km ²)	Territorial Divisions		Administrative Divisions	
				Functional	Executive body	Circumscription	Executive
Mali	1,240,000	11,732	9.5	8 regions	Regional assembly	Region	Governor
				49 circles	Circle assembly	Circle	Prefect
				703 municipalities	Municipal council	Municipality	Mayor

Source: Evaluation du dispositif d'appui aux Collectivités Territoriales du Mali- I& D. Etude comparative des processus de décentralisation en Afrique de l'Ouest. April 2004.

The new local governments are elected directly in the case of municipalities, and indirectly in the case of circles and regions. The latest municipal elections were held in May 2004.

The District of Bamako⁵⁵ is a local government set up as a separate legal entity with control over its own finances. The District is made up of six municipalities, each with their own council and executive. The number of municipalities in the District is defined by law and they are headed by the District Mayor, who is the Chair of the Executive Board, and two deputies. The District of Bamako has specific powers,

⁵⁴ Ministère de l'Administration Territoriale et des Collectivités Locales. DNCT. Document cadre de politique nationale de décentralisation (2005-2014). Version provisoire. November 2004.

⁵⁵ Loi No 96-025/ Portant statut particulier du district de Bamako- 1996.

including those relating to hospitals, the environment, museums, high schools and secondary training institutions, construction and maintenance of road and sanitation infrastructure and of the District's public facilities, and cooperation and twinning with other local governments.

A Decree on Municipal Cooperation is being drafted to facilitate cooperation between various local governments. The Decree stipulates that: (i) urban and rural municipalities may enter into cooperation or partnership agreements with other municipalities or local governments to carry out projects of mutual interest that do not warrant setting up a public or private sector legal entity; (ii) urban and rural municipalities may enter into cooperation or partnership agreements with other municipalities or with other types of local governments, such as Circles or Regions, to build joint facilities or to manage services of mutual interest.

⇒ *Decentralization Policy Objectives*

The *Document Cadre de Politique Nationale de Décentralisation* (DCPND - National Decentralization Framework Policy Paper) incorporates the experience acquired between 1996 and 2004. The Paper was drafted in 2005. It sets out the terms of reference and guidelines for decentralization and the deconcentration of central Government staff between 2005 and 2014. It includes a special focus on coordination between the implementation of the decentralization policy and the strategy for fighting poverty set out in the PRSP. The DCPND stresses that the overall objective of decentralization is in line with the PRSP, which aims to reduce poverty.

The DCPND highlights four decentralization policy objectives:

- Development of local governments, especially by establishing a local civil service, transfer of authority and resources in specific sectors, enhancement of local governments' authority in managing development projects of regional and local interest.
- Improvement in the deconcentration of central Government staff, which will lead to the redistribution of roles and responsibilities between ministerial departments and representatives at the level of the regions and circles.
- Development of local citizenship.
- The development of a local private sector to provide services at the local level and to meet the priority needs of local governments.

⇒ *Financing Decentralization*

The DCPND stipulates three sets of measures:

- Progressive increases in the central Government's financing of technical support, local governments' investments, and deconcentration of central administrations.

- Adapting local taxation and enhancing local governments' ability to finance decentralization.
- Harmonization of financing procedures for local governments' investment with funds from external assistance, the central Government, and local governments themselves.

⇒ *Transfer of Authority to Municipalities*

A set of legislation and decrees enacted between 1996 and 2002 stipulated the transfer of authority from the central Government to local governments for education, healthcare, waterworks, land management⁵⁶, urban development and urban management (urban development legislation and decrees enacted between 2002 and 2005 on urban planning, building and managing urban infrastructures, urban development projects, and the creation and management of public services, roads, sanitation, public transportation, and solid waste collection and treatment in urban areas). The implementation of these decrees is still in the earliest stages, particularly the process of transferring fiscal and non-fiscal revenues.⁵⁷



Image 6: Management of services has been transferred to the municipalities, even though they do not have enough resources to finance such services. This gutter was financed under the Urban Development and Decentralization Project.

⁵⁶ Decree creating the Land Code – March 22, 2000, and the implementing legislation and decrees adopted in 2000 and 2002.

⁵⁷ General responsibilities of the municipality: (i) municipal budget and accounts, (ii) land use planning, (iii) development program, (iv) land management, (v) creation and management of municipal services and bodies, organization of economic action, (vi) procurement, (vii) raising taxes and setting tax rates within the legal framework, (viii) loans and subsidies, (ix) enforcing personnel rules, (x) twinning.

Specific responsibilities of the municipality: (i) preschool teaching and literacy training, (ii) elementary schools, (iii) dispensaries, maternity clinics, public health, sanitation, and community health centers, (iv) municipal road and communication infrastructures, (v) rural and urban water supply, (vi) fairs and markets, (vii) sports, (viii) arts, and (ix) culture.

In addition to the tasks mentioned above, there are all the other central government tasks delegated to the head of the municipal executive. Source MATCL/DNCT- Novembre 2004.

Several institutional changes were made for the implementation of decentralization, including the creation of the *Ministère de l'Administration Territoriale et des Collectivités Locales* (MATCL - Ministry of Territorial Administration and Local Government), which comprises the *Direction Nationale des Collectivités Territoriales* (DNCT - National Local Government Directorate), the *Agence Nationale d'Investissement des Collectivités Territoriales* (ANICT - National Local Government Investment Agency), which was set up in 2000, and the *Mission d'Aménagement du Territoire* (Land Use Planning Task Force), which became the National Land Use Planning Directorate in 2004 (see Annex 2).

⇒ Donors' Support for Decentralization⁵⁸

World Bank contributions. The World Bank has supported the decentralization process through three urban development projects. The third project, the Urban Development and Decentralization Project, placed particular emphasis on developing and implementing urban management tools and on capacity building, with studies on the creation of an urban tax to cover expenditure on municipal infrastructure and facilities, street addressing, Municipal Contracts, infrastructure inventories, and investment and maintenance programs. Despite the sizeable funds spent to strengthen local administrations, the results still need to be consolidated.

International donors' support for local government. In early 2002, the Government of Mali and the European Commission signed an agreement amounting to EUR 49.6 million, with EUR 39 million coming from the European Development Fund, to set up a four-year Program to Accelerate the Development of Municipalities (*Programme d'appui au démarrage des communes*). Several technical and financial partners worked with the Government of Mali on setting up this Program. The objectives were (i) to develop new municipalities' capacity to provide services by developing their ability to manage projects technically and financially, and (ii) to strengthen the decentralization planning, coordination, and monitoring capacities at the central level. The financial arrangements hinge on the ANICT while technical arrangements come under the *Dispositif National d'Appui Technique aux Collectivités Territoriales* (National Scheme for Support for Local Government). Technical support arrangement was primarily aimed at building municipalities' capacity to manage projects and the financial arrangement helped to fund local governments' investments. The ANICT acts mainly on behalf of rural municipalities. The biggest urban municipalities were covered by the Urban Development and Decentralization Project.

2. MUNICIPAL BUDGETS: REVIEW

⇒ *Revenues*

In Mali, as in the other countries in the region, three types of financial resources are distinguished:

- Own (fiscal) revenue: direct taxes, indirect taxes, operating income and user fees, financial income, revenue from land, and central Government transfers. See

⁵⁸ Source : I & D. Evaluation du dispositif d'Appui aux Collectivités Territoriales du Mali. Avril 2004.

table below for tax revenue allocation formula: Taxes set out in the General Tax Code.

- Non-fiscal revenue (subsidies, allowances, miscellaneous fees) from miscellaneous sources, including transfers from the central Government and subsidies. The equalization fund ensures the equalization of revenues between the various local governments according to their specific characteristics.

The financial resources of local governments show how small municipal budgets are compared to the central Government budget. Local governments raise very little money. The urban tax was officially introduced under the Urban Development and Decentralization Project to provide financing for urban development, but it was not applied.

Level of government	2001	2002	2003
Region	61,000,000	86,000,000	86,000,000
Circle	183,000,000	208,000,000	208,000,000
Municipalities	1,106,000,000	1,106,000,000	1,148,000,000
TOTAL	1,340,000,000	1,400,000,000	1,442,000,000

Source: I & D. Evaluation du dispositif d'Appui aux Collectivités Territoriales du Mali (excluding initial endowment).

Transfers of funds from the central Government to local governments are carried out by allocating funds to local governments' operating budgets. Such transfers come to an average of FCFA 1.5 billion (USD 2.8 million) per year. The central Government finances local governments' investments primarily through the ANICT. The FCFA 2.1 billion (USD 3.9 million) paid into the ANICT/*Fonds d'investissement des collectivités territoriales* (FICT - Local Government Investment Fund) each year are the counterpart funds for local government projects that are eligible for external funding.

- Other sources of revenue: loans, internal financing or internally generated funds (corresponding to current revenue from the operating section of the budget which is capitalized); gifts, legacies, donors' contributions.

In 2004, the Reconstitution of Balance Sheets and Revenue Review for Municipalities under the Urban Development and Decentralization Project (Bamako – District and six municipalities – regional capitals: Kayes, Koulikoro, Sikasso, Ségou, Mopti, Timbuktu, Gao, and Kidal)⁵⁹ shows that the main local governments in Mali post an overall deficit on both their operating and capital budgets. It shows the steady increase in local governments' operating revenue, which is a positive trend, despite the slight dip seen in 2004. However, the average figures mask some major disparities. Some municipalities, such as Mopti, Timbuktu, and Koulikoro show a rising trend, while others, such as Municipalities II and VI of Bamako and, more especially, Kidal, have seen a big drop in their operating revenue. The municipal elections held in 2004 may

⁵⁹ Etude de reconstitution des bilans, d'analyse des revenus et de vérification du respect des clauses des contrats de ville par les communes du Projet. SEC-DIARRA-PDUD. June 2005.

explain these results since election time is not a good time for tax collection. Furthermore, there have been major reductions in revenue, especially in revenue collected by the municipalities (the revenue from user fees for commercial facilities in Municipality VI is an example whereby it dropped from FCFA 183 million (USD 338,889) in 2003 to FCFA 50 million (USD 92,593) in 2004).

**Taxes set out in the General Tax Code
(Law 051/ on Municipalities' Tax Revenue):**

⇒ **Municipalities:**

- 60 percent of business license fees.
- 80 percent of the regional and local development tax. The regional and local development tax rates are set out in paragraphs 1 to 7 of Article 294 of the General Tax Code.
- 80 percent of the tax on cattle and firearms.
- 100 percent of the tax on wages paid out of the municipality's budget.
- 60 percent of the tax on motorcycles.
- 100 percent of the tax on bicycles.
- 80 percent of the duties and taxes collected for the authorizations for artisan gold mining operations or artisan quarrying operations stipulated in Articles 103 and 106 of Order 99-32/P-RM of August 19, 1999 creating the Mining Code.
- 50 percent of the tax on wood cut in government forests.

⇒ **District of Bamako and the Constituent Municipalities (Law 96-058/AN-RM)**

The District receives:

- 60 percent of business taxes.
- 20 percent of the regional and local development tax. The tax rate is set at FCFA 3,000 per taxpayer.
- the full amount of the tax on wages paid out of the District's budget.
- tax on motorcycles.
- tax on bicycles: FCFA 1,500 per year.
- exit tax on public passenger and goods transport vehicles leaving the District with passengers or goods loaded within the District: maximum rate of FCFA 1,000 per trip and per vehicle.
- tax on boats and wheelbarrows: maximum rate of FCFA 2,000 per year;
- road tax : The road tax is paid by natural and legal persons liable for the business tax and by families.

⇒ **Municipal taxes in the Bamako District**

- 40 percent of business taxes and license fees.
- 80 percent of the regional and local development tax.
- full amount of tax on wages paid out of the municipality's budget.
- full amount of tax on firearms.

Municipalities may also levy other taxes on: nightclubs, dancehalls, discotheques and restaurants with live music; drinking establishments and bars; advertising in public areas; building permits; buildings made of non-durable materials (housing: maximum of FCFA 7,500; business premises: maximum of FCFA 10,000); buildings made of durable materials (housing: maximum of FCFA 10,000); business premises, etc.

Most local governments saw an overall decrease in their investment revenue⁶⁰ because of the temporary suspension of attributions of lots by the Ministry. For municipalities outside of the District of Bamako, investment income fell from FCFA 1,768 million (USD 3.27 million) to FCFA 482 million (USD 900,000), which is a drop of nearly three quarters. These figures are a good illustration of the fragility of Mali's municipalities, more specifically, their reliance on land sales. In Ségou, revenue from land sales between 1997 and 2004 accounted for nearly 50 percent of the total, or FCFA 1,031 million (USD 1.9 million), with fiscal revenue accounting for another FCFA 817 million (USD 1.51 million) and other revenue accounting for FCFA 290 million (USD 530,000).

The municipality of Mopti was the only one that managed to maintain good management ratios, posting an increase in its investment revenue in 2004. This shows that the local government is anticipating the shortage of land for sale and is focusing on other, more sustainable, sources of funds. Mopti no longer relies on income from Government land sales. The overall cumulative revenue over five years came to more than FCFA 43 billion (USD 79 million), which works out to an annual average of approximately FCFA 9 billion (USD 17 million), including FCFA 7 billion (USD 13 million) for the District of Bamako alone. This is a substantial figure, but it is still very small compared to the central Government's revenue, which stood at FCFA 510 billion (USD 944 million) in 2005 (1.3 percent).

⇒ *Expenditures*

Expenditures are broken down into two parts, like the budget, with an operating section and a capital section. Operating expenditure covers: (i) operating municipal services (payroll, stationery, fuel, electricity, and telephone), (ii) maintenance and repairs, (iii) interest on debt, and (iv) capitalized revenue or the municipality's internally generated funds for investment. Investment expenditure comprises transactions that increase the municipality's asset base: (i) equipment purchases, (ii) infrastructure work, (iii) construction or renovation of public buildings and facilities, (iv) debt repayments, (v) purchases of securities, and (vi) deposits and performance bonds.

The Reconstitution of Balance Sheets and Revenue Review for Municipalities under the Urban Development and Decentralization Project shows that the local governments' overall expenditure did not decline in 2004, despite a drop in revenue. This led to deficits on both the operating and capital budgets. Outside of the District of Bamako, the overall deficit stood at FCFA 685 million (USD 1.3 million), including FCFA 644 million (USD 1.2 million) for the capital budget. The size of the deficit may be explained by the municipalities' delay in their investment plans, as they were unsure of that the corresponding sources of funds' would be available. The six municipalities in Bamako are a good illustration of the problem, since Municipalities III, V, and VI posted cumulative capital budget deficits of FCFA 670 million (USD 1.2 million), which was

⁶⁰ As is the case for the budget, revenue is divided into operating revenue and investment revenue. Operating revenue is recurring in principle and includes (i) revenue from government property, (ii) local taxes, (iii) central government transfers of taxes to municipalities, (iv) user fees for services. Investment revenue comes from non-recurring sources, such as (i) interest income on loans, (ii) equipment subsidies received, (iii) sales of government land and property, (iv) deposits and collateral received, and (v) deductions from operating expenditure.

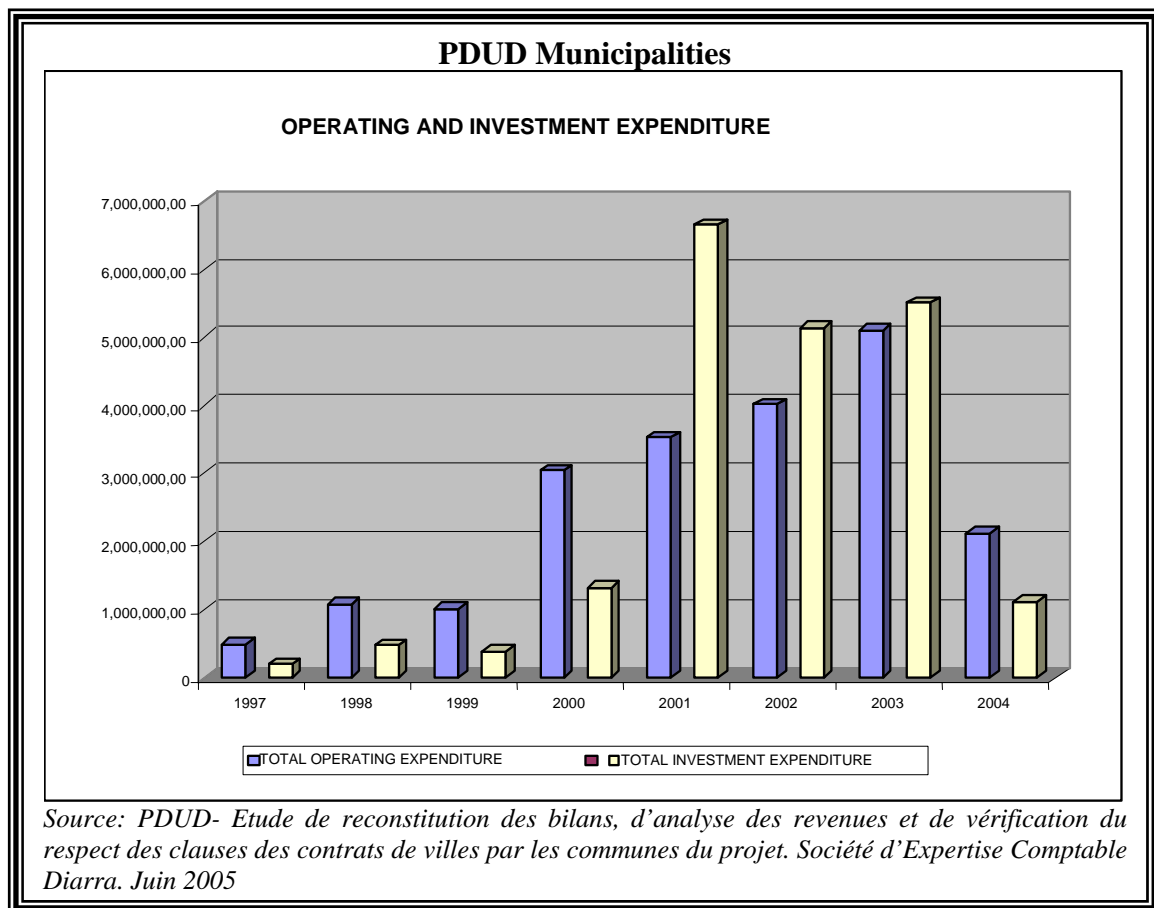
greater than the aggregate deficit of all municipalities. This means that the capital budget deficit is primarily due to the municipalities in Bamako, which are the most reliant on income from land sales.

Payroll expenditure is high, compared to the quality of service. Payroll expenditure represents 50 percent of operating expenditure on average. Such ratios mean that municipalities cannot operate normally and that they are even less capable of allocating funds for investment. Municipalities have too many employees although most of them earn less than FCFA 50,000 (USD 93) per month.

The municipalities' accounting system is a cash accounting system aimed primarily at reporting on the budget outturn. This system does not include balance sheet accounting and fails to present the municipalities' financial position. Consequently, it is very limited and unable to provide comprehensive financial statements. In some municipalities, it is difficult to obtain the administrative accounts.

⇒ *Review of the Main Financial Trends*

The reconstitution of the financial statements of the municipalities under the Urban Development and Decentralization Project covering the period from 2000 to 2004 was used to review the municipalities' main financial trends. The local governments provide a good illustration of the progress made on decentralization and the consequences for Mali's cities. They have been through three municipal elections and represent a major concentration of the urban population.



Overview of municipalities' revenue and expenditure

City of Bamako – District and six municipalities – regional capitals Kayes, Koulikoro, Sikasso, Ségou, Mopti, Timbuktu, Gao, and Kidal. The results for 2000-2004 are as follows:

- Cumulative total revenue : FCFA 43,216 million
- Cumulative operating revenue : FCFA 14,663 million (excluding the District)
- Cumulative operating expenditure : FCFA 14,837 million (excluding the District)

The results for 2004, excluding the District, for which no data are available, are as follows:

- Cumulative total revenue : FCFA 2,576 million
- Cumulative operating revenue : FCFA 2,095 million
- Cumulative operating expenditure : FCFA 2,136 million
- Cumulative investment revenue : FCFA 482 million
- Cumulative investment expenditure : FCFA 1,126 million

Source: PDUD - Etude de reconstitution des bilans, d'analyse des revenus et de vérification du respect des clauses des contrats de villes par les communes du projet. Société d'Expertise Comptable Diarra. June 2005.

A review of the municipalities' financial structure between 2000 and 2004 conducted under the Urban Development and Decentralization Project highlighted the following trends:

- Widespread imbalances, with the exception of certain local governments, such as the one in Mopti;
- An operating budget deficit that is identical to that of the period before the Urban Development and Decentralization Project, meaning that operating expenditure still outstrips current revenue, requiring municipalities to use investment income to finance their operating expenditure;
- Reliance on land sales, indicating that the financial position of each local government is increasingly dependent on the Ministry's decisions in authorizing or suspending land sales. Under the present circumstances, most local governments sell the maximum amount of land to raise money to cover their current expenditure and pay down their debt;
- The financial structure is also unbalanced by the alarming proportion of payroll expenses, which represent 50 percent of operating expenditure on average. This situation means that the local governments' position is unlikely to improve;
- A substantial increase in revenue between 2000 and 2003, but the municipalities are still in financial trouble caused by their severely unbalanced financial structure. In 2004, the overall deficit of local governments under the Urban Development and Decentralization Project, excluding the District of Bamako and Municipality IV (data unavailable), stood at FCFA 685 million (USD 1.3 million), or 26 percent of overall revenue;
- Action to strengthen institutions under the Urban Development and Decentralization Project required accompanying measures to ensure sustainability of achievements, and
- The performance of commercial facilities, and the objectives set for returns are still falling far short of expectations, primarily because of inefficient management of commercial facilities and corruption amongst fee collectors.



Image 7: The Market in Djenné. Inefficient management means that markets are not generating the potential revenue.

In conclusion to Chapter II, any future activities must work at two levels, namely the macro level which should create or continue strategic support for reform of transfers between levels of Government and simplification of local taxation, and at the local level whereby municipal adjustment programs under the terms of Municipal Contracts could make it possible to draft practical recovery plans with realistic targets, focusing on raising own revenues, reorganizing municipal personnel, rationalizing expenditure, and stressing maintenance and management of municipal facilities.

III. ECONOMIC DYNAMICS

1. THE ROLE OF CITIES IN THE OVERALL ECONOMY

Mali enjoyed substantial economic growth between 1994 and 2004, with an average growth rate of 5 percent per year despite a slight slowdown in 2004. However, this sustained growth did little to reduce poverty, even though per capita income increased from FCFA 135,549 (USD 251) in 1993 to FCFA 181,980 (USD 337) in 2003.⁶¹ This growth also produced few new jobs and only 9 percent of the total population has a steady job in the formal sector. One of the main challenges facing Mali is the diversification of the sources of growth to reduce its vulnerability to climate change and volatile commodity prices. Mali's foreign exchange inflows stem primarily from exports of cotton, gold, and cattle, which account for 90 percent of the country's export earnings.

Bamako has both the highest rate of workers in steady jobs (27 percent) and the highest unemployment rate (10 percent) in the country. Overall unemployment⁶², in both the formal and informal sectors, is higher in urban areas, where it affects 8 percent of the population, as opposed to 4 percent in rural areas. The high proportion of young people in the population leads to strong demand for jobs and education, especially in Bamako. Bamako's population is young, as is the case in other large cities in Sub-Saharan Africa. The average age is 21 years and school-age children make up the largest group in Bamako's population. In 2002, 58.6 percent of the population was under the age of 20, while the over-sixties accounted for only 3.4 percent of the population.⁶³

Mali's cities play a very important role in the creation of national wealth. A third of the population living in cities produces approximately 50 percent of the country's GDP.⁶⁴ Three quarters of activity in the private sector is concentrated in Bamako, which is also home to Government ministries, central administrations, and administrative departments. Yet, as was pointed out above, cities received only 6 percent of the Special Investment Budget for infrastructure between 2000 and 2004.⁶⁵ The very low level of Government investment in infrastructure is completely out of line with the contribution that cities make to the country's economic growth. This shortfall in infrastructure investment means that there is a lack of primary infrastructure networks in the areas where new neighborhoods are springing up, despite the fact that access to basic services is critical for inhabitants of urban areas⁶⁶ and, more especially, for the poor.

⁶¹ Investment Climate Assessment. World Bank. June 2005.

⁶² ILO definition: unemployed are jobless, seeking work and available for work. L'emploi, le chômage et les conditions d'activité dans la ville de Bamako. November 2002.

⁶³ L'emploi, le chômage et les conditions d'activité dans la ville de Bamako. Parstat. November 2002.

⁶⁴ GDP structure: secondary (excluding mining) and tertiary industries are primarily located in urban areas and accounted for 52 percent of GDP in 2002. Source : Tableau : Origines et emplois du PIB-DNSI.

⁶⁵ Évolution du financement du secteur urbain à partir du budget spécial des investissements de l'État 2000-2005 ; Étude de reconstitution des bilans, d'analyse des revues et de vérification du respect des clauses des contrats de villes par les communes du Projet PDUD-SEC DIARRA, June 2005.

⁶⁶ In Niger, a neighboring country that has also seen a large increase in its urban population, less than 8 percent of the national investment budget was spent on urban infrastructures in 2002.

Economic growth and development in rural areas would be sounder and more sustainable if Mali had a better integrated network of urban centers with proper facilities that enabled them to enhance interactions between urban and rural areas, provide facilities for processing and consuming agricultural products, and support other economic activities, such as tourism, services, and trade. A network of this type would also encourage the development of the private sector in secondary cities by creating jobs, stimulating investment, and promoting local development. Recent studies⁶⁷ have shown that cities drive growth, and that manufacturing and service industries located in urban areas accounted for 79 percent of Sub-Saharan African countries' economic growth between 1990 and 2003. Towns and cities are at the heart of the process of improving the investment and business climate.

The informal sector accounts for at least 36 percent of non-farm GDP⁶⁸ and Bamako accounts for at least two thirds of this figure.⁶⁹ A survey at the end of 2001 found 233,957 informal production units in Bamako employing 319,936 informal workers. Of these units, 88 percent were set up on temporary premises with no access to basic services, such as water or electricity. Only 11 percent of these units paid local taxes in the form of the business tax ("*patente*"). There is no indication that the informal sector's share of the economy will decrease in the coming years, which means that accompanying measures must be considered to facilitate its operation and its gradual integration into the regulatory system and the local tax system. Local governments can play a role in the gradual integration of informal production units, since they pay the business tax, which is a local tax, more readily and are therefore more likely to come to the knowledge of the municipality. Informal production units do not expect central Government funds, but they seek the support of micro-finance institutions for access to credit, technical training, management assistance, and procurement.⁷⁰ Informal production units would also like support for finding supplies (trade sector) and information about markets for their products. They would also like the administrative procedures for registering companies to be simplified as they are currently very complicated and time-consuming.⁷¹

⁶⁷ The Urban Transition in Sub-Saharan Africa: Implications for Economic Growth and Poverty Reduction – C. Kessides. World Bank, 2005.

⁶⁸ Non-farm GDP stood at FCFA 775 billion (USD 1.4 billion) at market prices in 2002, and the value added from the informal sector accounted for FCFA 289 billion (USD 535 million).

⁶⁹ Le secteur informel dans l'agglomération de Bamako. DNSI- Parstat- 2002. (Page 71).

⁷⁰ Idem 65.

⁷¹ All production units are required to register by filing a declaration with the Chamber of Commerce and Industry. It must then file a declaration with the tax authorities to obtain its Tax Certificate and its Tax Identification Number. After that, it must then apply to the DNSI for a statistic number.



Image 8: Embankments in Mopti (financed under the Urban Development and Decentralization Project). Mopti is a major center of economic activity.

In economic terms, the informal sector, which accounts for a large proportion of output and employment in Mali, might remain a survival sector that has increasing difficulties with integration into the modern sector which could subsequently cause Mali's economy as a whole to lose steam.

2. URBAN EMPLOYMENT AND URBAN POVERTY

The GDP growth rate has been about 5 percent per year over the last ten years, but poverty has not receded at the same pace. In 2001, it was estimated that the poor made up approximately 30 percent of the urban population. Poverty has been increasing in urban areas because traditional support networks are disappearing and there are problems obtaining food and housing. According to some estimates, 45 percent of the households in Bamako are housed in informal settlements and 29 percent of the city's total population is living below the poverty line.⁷² Mali's families spend an average of 73 percent of their budget on food, which leaves only 27 percent for other expenditures, such as education, healthcare, transportation, and especially housing. The large proportion of income spent on food reduces the ability of households to make a contribution to urban facilities by paying for services and providing financing for infrastructure maintenance. It also prevents them from obtaining housing through the official channels of land and real-estate production.

⁷² CAS - July 2003 (2001 survey data).

GROWTH SECTORS IN MALI'S ECONOMY

The Investment Climate Assessment carried out in 2005 shows that companies in Mali have to cope with many constraints in order to do business. Their costs are driven up by problems with access to land (mentioned by one third of the companies surveyed), infrastructure problems, especially problems related to the quality and the reliability of the electricity supply in addition to poor telephone services. The poor quality of transportation services and roads are also constraints for businesses.

Recent sector developments have shown that the share of GDP from industry stood at 30 percent in 2002, whereas agriculture accounted for 34.2 percent and services for 36.1 percent.

→ *Industry*

Industry in Mali includes primary industry (3.2 percent of GDP) and secondary industry (3.2 percent of GDP) and other industries, such as the production and distribution of electricity, gas, and water (18.2 percent of GDP). The increase in industrial output is particularly due to the increase in gold production, the construction industry, and the water and energy industry, whereas the contribution from manufacturing is declining.

In 2002, Mali had 243 companies of which 95 percent were manufacturing firms. These firms were in food processing (46.8 percent), publishing, printing, and reproduction (15 percent), manufacturing metal goods (8.7 percent), manufacturing chemical products (6.9 percent), and manufacturing furniture (6.1 percent).

Industrial firms export 58 percent of their output directly. Primary industry firms export all of their output, while manufacturing firms export 47 percent of their output. On the other hand, there are no direct export sales of electricity, gas, or water.

Mali's industry is characterized by:

- i) geographical concentration: approximately 70 percent of the production units are located in and around the District of Bamako; the region of Sikasso ranks second, with 12 percent of output (using the location of the headquarter as the classification criterion);
- ii) concentration of output by a few large companies; the ten largest companies account for 90 percent of industrial value added;
- iii) the preponderance of food production and processing, which account for more than 70 percent of the economy. *Compagnie Malienne pour le Développement du Textile* accounts for 50 percent of industrial value added and industrial jobs.
- iv) Only 5 percent of firms have more than 200 permanent employees, and 82 percent have fewer than 50.

The mining industry has seen strong growth of 30 percent per year, and accounts for 7.3 percent of GDP. Production of industrial gold has stood at 60 metric tons per year since 2002, which means that Mali is the third-ranking gold producer in Africa, after South Africa and Ghana. Artisan miners and small-scale mines produce an estimated three metric tons of gold per year.

→ *Agriculture*

Between 1994 and 2002, the average share of agriculture in GDP declined from a 47 percent average between 1994 and 1999 to 34.2 percent. Farming provides jobs for nearly 80 percent of Mali's population. Farming output declined in 2000 and in 2002.

The herding and farming regions are in the north of Mali and around the Niger River delta. Cotton is the leading crop and the leading export. Nearly 2 million workers are employed on 200,000 farms*. Rice is grown in the Niger River delta and efforts to increase output have made Mali self-sufficient. Grain production has also improved and grain is exported to neighboring countries.

→ *Craft industry*

The craft industry provides jobs for a large number of people in both rural and urban areas. The Mali Craft Federation has some 30,000 members in 89 trades, with textiles, leather, metal, and food being the dominant sectors. The regions with the largest numbers of craft workers are: Ségou (22 percent), Sikasso (16 percent), Bamako (16 percent), Kayes (15 percent), and Koulikoro (11 percent).

→ *Tourism*

Tourism is a growth industry. The number of tourists visiting Mali doubled between 1990 and 2000. The average tourist spent FCFA 296,460 (USD 549) in the country. Tourism revenue accounted for approximately 3 percent of GDP between 1998 and 2000. In 2002, tourism contributed FCFA 56.7 billion (USD 105 million) to Mali's economy. It provides an estimated 4,000 direct jobs and 12,000 indirect jobs, especially in hotels, restaurants, and travel agencies. It also has an impact on the craft industry**. Tourism has had a major impact on the economic development of secondary cities, such as Timbuktu, Djenné, the archeological area of Gao and the Dogon area. Tourism is still underdeveloped, but it could become a driving force for the economy in these centers and their hinterlands.

Despite this growth, tourism is less developed in Mali than in Benin or Senegal. In 2003 there were an estimated 229,000 tourist nights spent in Mali, which is one quarter of the figure for Senegal. The Investment Climate Assessment Report identified some of the constraints on the development of tourism, including inadequate and poor quality infrastructure, transportation problems, and lack of hotel accommodations. The Growth Support Project proposes to assist the tourism and crafts sector to enhance the legal and regulatory framework to develop standards and quality standards, and to prepare master plans for tourism and crafts.

Sources:

* Mali's economy: <http://www.geocities.com,infomali/economie>.

** Growth Support Project: PAD. World Bank. January 2005.

During the 2003 *Enquête légère intégrée auprès des ménages* (Household Survey), more than half of the population aged 15 years or more (55.8 percent) reported working in the seven days preceding the survey. The proportion of people reporting that they have worked is higher in rural areas (60.7 percent) than it is in urban areas (45.2 percent), but in most cases the work does not involve a steady job. The situation is quite different in rural and urban areas. In urban areas, 21.3 percent of the workers have steady jobs, and the figure rises to 27.3 percent in Bamako.

Poverty is very closely linked to the job situation. The unemployment rate in Bamako is fairly steady at 10 percent under the ILO definition (see note 62). But in addition to unemployment, there is also visible underemployment, with people unwillingly working less than 25 hours per week and invisible underemployment with people working full time but earning less than the minimum wage. This means that unemployment does not seem to be a labor market problem, but nearly eight out of ten labor force participants are affected by various forms of underemployment. A study of the informal sector in Bamako cites underemployment as the main labor market problem and consequently the main constraint on Mali's economy.⁷³

In conclusion to Chapter III, any future activities should enhance the environment in which the activities driving local development currently operate. This means enhancing cities as agents for economic development by strengthening the links between municipal representatives, formal and informal economic agents, and national bodies responsible for promoting economic activity in Mali.

⁷³ Le secteur informel dans l'agglomération de Bamako. DNSI- Parstat- 2002. (Page 71)

IV. RECOMMENDATIONS

1. LOOKING BACK: LESSONS LEARNED FROM WORLD BANK ACTIVITIES IN THE URBAN SECTOR

The World Bank has been involved in Mali's urban sector virtually without pause for more than 25 years, with the financing of three projects between 1979 and 2005.⁷⁴ All three projects were aimed at improving access to basic urban services and supporting the decentralization process. The Third Urban Development and Decentralization Project, worth FCFA 43.2 billion (USD 80 million), ended in June 2005.

The main results of the three World Bank projects⁷⁵ were:

- (i) Construction of 15,540 individual water connections and the construction of 348 public standpipes. These three projects mean that some 294,600 new people have access to water;
- (ii) Construction of 310 kilometers of drinking water pipes;
- (iii) Construction and repair of 197 kilometers of roads out of a total of 3,000 kilometers of paved urban roads;
- (iv) Street addressing for 5,307 streets and 131,231 plots in Bamako, Kayes, Sikasso, Ségou, Mopti, and Gao (Urban Development and Decentralization Project);
- (v) Servicing of 20,182 plots (different levels of service). With an estimated 10 persons per plot⁷⁶, this means that more than 200,000 people benefited;
- (vi) Creation of the Public Works and Employment Agency (AGETIPE) to (a) promote rapid and



Image 9: Road paved under the PDUD in Mopti.

⁷⁴ First Urban Development Project (1979-1986) – IDA funding USD 12.4 million; Second Urban Development Project (1986-1994) – IDA funding USD 28 million; Urban Development and Decentralization Project (1996-2005) – IDA funding USD 80 million.

⁷⁵ Total IDA funding for the three projects comes to USD 115 million.

⁷⁶ EDMs estimate for the number of persons served by an individual connection.

- transparent procedures for awarding public works contracts, and (b) create jobs and stimulate small and medium-sized enterprises;
- (vii) Creation of a Land Development Agency (ACI) to simplify the administrative procedures for selling Government land by allocating plots through public auctions;
 - (viii) Building the urban and financial management capacities of local governments;
 - (ix) Introducing basic urban management tools, such as urban maps, development plans, and organizational and financial audits;
 - (x) Establishing concession procedures for urban services and commercial facilities to improve facilities, such as markets and passenger and freight depots, in the cities covered by the project and to enhance their resources or create the right conditions for their enhancement;
 - (xi) Supporting the Economic Interest Groups (EIGs) responsible for providing key urban services, such as maintaining sanitation networks at the neighborhood level and waste collection;
 - (xii) Support for conservation activities in Mali's historic cities and conservation of World Heritage Sites in cooperation with UNESCO.

A number of problems that were identified during the first project are still recurring, despite the progress made during the three projects. The problems are as follows:

- (i) The lack of budget resources hinders action, especially at the local level. The three projects were intended to help raise more local resources, but the only results were achieved during the final years of the third project and only in a few cities, including Mopti.
- (ii) The shortage of local capacity and skills for project execution, monitoring, and implementation was a major obstacle, especially in secondary cities, where local administrative personnel have not acquired the capacities required.
- (iii) The administration did not handle the resettlement of displaced population groups properly, which is the primary explanation for the unsatisfactory rating given to the Urban Development and Decentralization Project.
- (iv) Land ownership issues are still an obstacle to efficient management of cities. Opaque land management practices persist despite efforts to make the procedures for selling Government land more transparent through the creation of the ACI. In practice, there is no Government control over urban development, which leads to haphazard building and uncertain land tenure.

2. LOOKING FORWARD: CATALOGUE OF POTENTIAL ACTIVITIES

With a view to support the urban strategy and the Government's decentralization process, efforts should be made at two levels: (i) at the level of individual cities through targeted activities carried out under Municipal Contracts, and (ii) at the macro level through cross-cutting accompanying measures.

i. *Activities at the Municipal Level: Municipal Contracts*

Future activities should focus on a limited number of cities that play an important role in the economy. They should provide technical and financial resources to plan infrastructure and basic services which meet the needs of the population and local economic development.

The Urban Development and Decentralization Project was a laboratory for experimenting with the Municipal Contracts signed with the cities that benefited from the Project. The Project Implementation Completion Report pointed out that Municipal Contracts are useful tools for enhancing municipalities' performance, but that they call for more vigilant monitoring which must go beyond an annual contract review. A number of methodological issues need to be clarified in drafting Municipal Contracts, the institutional aspects of their implementation, monitoring and assessment, financing procedures, the specific nature of the contractual obligations, and compliance with these obligations. Annex 1 provides a detailed description of the process and the municipal audit methodology (urban audits, along with financial and organizational audits) and the participatory process for drafting Municipal Contracts that could be used for Mali's large municipalities.

ii. *Cross-Cutting Accompanying Measures*

The sector review highlights the need for coordination around a number of targeted activities that have a potentially significant impact on urban management and the economic development of cities.

➤ *Transfers of Funds from the Central Government to Municipalities:* The transfer of authority to the municipalities was not backed by an adequate transfer of funds to enable the municipalities to exercise this authority. Today, the annual amount of funds transferred to urban and rural local governments through the central Government budget stands at about FCFA 1.5 billion (USD 2.8 million) for operating expenditure. The central Government contributes only the counterpart funds for external donations for investment expenditure. Most of these funds are contributed through the ANICT and the FICT. The amount paid into the ANICT is FCFA 2.1 billion (USD 3.9 million) per year. The current transfer system suffers from (i) opaque budget allocation procedures and (ii) unpredictable availability of funds, which prevents urban municipalities from planning infrastructure investments over several years on the basis of reliable projections of future transfers. Therefore, a diagnostic survey should be promoted in consultation with the Ministry of Finance and the Local Government Ministry, which should make it possible to clarify: (i) the formula for allocating transfers in terms of deductions from existing local taxes and in terms of the overall allocation for each municipality, (ii) how to spot problems in the transfer mechanism, and (iii) how to propose implementation procedures for the legislation required to reform the current system.

- *Cooperation between Municipalities:* The principle of cooperation between municipalities was instituted in the Decentralization Law and the implementing measures now being prepared. There could be two main advantages to such cooperation: (i) small urban municipalities could join forces to finance facilities in cases where there are many municipalities with limited local financing and (ii) financing could be harmonized for major inter-municipal facilities and services in the greater Bamako area. Support for implementing such cooperation between municipalities could take the form of assisting the Government with: (i) drafting of a framework document for cooperation between municipalities, (ii) clarification of each player's responsibilities, (iii) clarification of the formula for financing inter-municipal facilities and services, and (iv) clarification of responsibilities for management and maintenance.

- *Strengthening Urban Taxation:* Support has to be provided to the Ministry of Finance, to the deconcentrated tax departments, and to the municipal financial services in order to improve local tax management and to gain better control over local contributions to fiscal revenues. Appropriate measures include: (i) simplifying urban taxation by placing the emphasis on the urban tax (it is estimated that the potential annual revenue from this tax in Bamako and the regional capitals would be FCFA 510 million (USD 944,444)), (ii) improving knowledge of the fiscal base, using street addressing as a basic tool, and (iii) improving tax collection by facilitating coordinated action by the National Tax Directorate and local governments. Such actions would make it possible to build on the innovative aspects of the Urban Development and Decentralization Project.

- *Street addressing:* Support for the street addressing program could be considered, focusing on the following activities: (1) Updating street addressing in Bamako, and (2) continuing work on street addressing in Kayes, Sikasso, Ségou, Mopti, and Gao. This activity aims to achieve many objectives: (a) support for local taxation through better capture of the fiscal base and through cross-referencing of street addressing files with the National Tax Directorate's tax rolls; (b) support for municipal investment planning; (c) support for solid waste management; (e) asset management and road maintenance; (f) inventory of land assets; (g) improved collection of water and electricity bills; (h) improved social cohesion, especially in deprived areas; (i) support for urban planning and; (j) support for economic development activities.

- *Land Management:*
 - The roles of the municipalities and the central Government in the production of plots will need to be redefined. Special emphasis will have to be given to enforcing urban regulations (compliance with zoning, easements, and procedures for approving subdivision of land) so as to end the waste of land assets and the haphazard occupation of land, which has led to a tripling of land use in the major cities in the sub-region over the last ten years.

 - Inventory of Government land by the Public Lands Administration in the areas targeted for investment. This will involve an inventory of all the land reserves

available to determine their ownership (municipality or central Government), and to ascertain their zoning (residential, business, industrial, etc), under the urban plans in force.

- Support for a test run of the ongoing Government initiative to transform Allocation Notes, Occupancy Permits (PO), and Urban Residency Permits (CUH) into proper deeds.

 - ACI: Issues relating to ACI's financial viability must take the forefront. ACI's operations need to be assessed by means of an institutional review that (i) sets out the Agency's tasks, especially in terms of low-cost urban plot production for low-income buyers, (ii) makes arrangements to ensure ACI's future, (iii) extends its intervention zone beyond Bamako, and (iv) drafts a five-year business plan to enable ACI to make the necessary changes.
- *Urban Planning*: producing and updating Urban Development Plans (UDP). Such plans were produced during the start-up phase of the Urban Development and Decentralization Project in Bamako and the eight regional capitals (Ségou, Sikasso, Mopti, Kayes, Timbuktu, Gao, Koulikoro, and Kidal). These documents are an excellent decision-making tool, but little use was made of them, undoubtedly due to a lack of local resources and capacities. Appropriate measures would include: (i) assessing the plans in terms of updating and applying them, (ii) if the assessment is satisfactory, discussing the production of such plans for cities with populations of over 20,000 that do not have such plans, such as: Kita, Nioro, Fana, Boubouni, Dioro, Niona, San, Diré, and Koutila, and (iii) raising the awareness of elected officials, technicians, the MHU, decentralized central Government services, and private firms to the value of using the plans as a genuine decision-making tool.
- *Solid Waste Management*: This action would support the District of Bamako in implementing a solid waste management strategy: (i) reorganizing and reinforcing the EIGs, (ii) building transfer stations and disposal sites that meet acceptable environmental standards, including engineering studies and consultations with neighbors, (iii) initiating calls for tenders to delegate collection, removal, and transfer of waste to the private sector, (iv) strengthening the entity in charge of managing collection contracts and reorganizing the institutional framework, including user fees, and (v) providing technical and financial management training for the main players involved in waste collection. The action would also support targeted cities in developing an adequate solid waste collection system. The objective is to ensure that the systems established are efficient, and economically and financially viable. Special emphasis should be placed on financing for key waste collection infrastructure and the organization of waste collection systems.
- *Local Economic Development*: The 2005 Investment Climate Assessment Report for Mali stressed the need to diversify economic activity beyond agriculture to ensure the country's economic growth. The constraints that the Report listed as hindering the development of manufacturing, tourism, and transportation firms included access to infrastructures, waste collection problems, and access to land. This activity could

develop the function of local development agents in the targeted cities to facilitate communication between local business representatives (chamber of commerce, craft industries, tourism, EDM), and the local government. The agent could promote, organize, and strengthen existing activities, attract new economic activity, and improve the investment climate by working in conjunction with national institutions such as the National Investment Promotion Center. A financial and institutional review of a limited number of commercial facilities could be conducted to assess the potential revenue from stallholders' fees and to improve the management of these important centers of economic activity at the municipal level.

ANNEXES

ANNEX 1: MUNICIPAL AUDIT PROCESS AND METHODOLOGY FOR MUNICIPAL CONTRACTS

1. This annex provides details about the services requested for:
 - (a) “urban, organizational, and financial audits” (diagnostic, identification of Priority Investment Programs and Municipal Adjustment Programs, project briefs, and preliminary design studies (PDS).
 - (b) the Bidding Documents (Detailed Design Studies and Contractor Information Documents).

Urban, Financial, and Organizational Audits

2. The Priority Investment Program and the Municipal Adjustment Program are prepared on the basis of reviews called “urban, financial, and organizational audits”, which lead to mutual commitments between the central Government and the municipality. These commitments are enshrined in a “Municipal Contract”. The audits include a diagnostic and recommendations that present the size and content of the Priority Investment Program and the Municipal Adjustment Program (accompanying measures). During the design phase, the recommendations, including those in the Priority Investment Program, gradually take shape: first in the form of project briefs, then in the form of preliminary design studies, and then in the bidding documents.
3. The detailed audit program will be presented to contracting authorities at a training seminar before the start of work in the field and consultants shall be required to comply with the program, and, more especially, to ensure that data are easy to compare between cities. The outline of the audits is as follows.

Diagnostic

Urban Diagnostic

- (a) *Urban Location and Site*: the city in its region, assets and constraints of the site.
- (b) *Business Environment*: main economic activities and the relationship of the city with its hinterland.
- (c) *Population Growth and Outlook*: projections five, ten, and fifteen years out, and estimated population by neighborhood and the main types of housing (estimated refugee population, if appropriate).
- (d) *Municipal Organization and Level of Community Facilities*: city limits, division into neighborhoods, zoning, ranking of neighborhoods by infrastructures and community facilities.
- (e) *Master Plan, Municipal Assets, Recent or Ongoing Projects*: review and progress on Master Plan; inventory (and summary assessment) of municipal assets; descriptive inventory and financing of recent, ongoing, or planned projects in the city or the surrounding area.
- (f) *Shortages and Needs Expressed* by the authorities, the population, the private sector, and civil society.

Financial Diagnostic

- (a) *City's Overall Financial Situation:* financial equilibrium and changes in the financial statements over the last three fiscal years, and projections for the current year, the review will take into account any arrears or debts of the municipality towards third parties.
- (b) *Financial Resources and Potential of the City:* review of the main sources of funding for the budget (taxes, transfers, endowments, local taxes, etc.), potential revenue (assessment of the operation of the fiscal and non-fiscal revenue system), assessment of the fee collection performance for markets and passenger and freight depots.
- (c) *Expenditure and Level of Service Provided to the Population:* review of the main expenditure items and more specific assessment of certain items such as infrastructure and facilities maintenance, costs and revenues associated with commercial facilities, costs and revenues associated with the collection of household waste.
- (d) *Investment by the City or by Third Parties:* identification and quantification of the city's investment out of its own resources or with support from third parties over the last three fiscal years; the assessment will be based on the inventory of operations compiled as part of the urban diagnostic.
- (e) *Cash Position:* review of monthly income and outlay reported in the tax collector's books, end-of-year position, assessment of deferred expenditure and revenue.

Organizational Diagnostic

- (a) *City's Operating Organization:* summary review of decision-making circuits (Mayor, Municipal Council, Executive Secretary, etc.), relationship with administrative, technical, and financial oversight bodies (Prefect, Governor, Decentralized Staff, Tax Collector).
- (b) *Municipal Services Organization:* organization chart and manning levels by section; assessment of supervisory staffing levels.
- (c) *Assessment of the Technical Staff's Capacity for Action:* technical and material capacity for planning, preparing, and executing actions; infrastructure and facilities management; support as appropriate from decentralized urban development staff or staff from other departments, investment procedures (force account implementation or contractor approach, contract awards, etc.).
- (d) *Assessment of Financial Staff Performance:* identification of resources available, assessment of procedures (accounting system, force accounts, where appropriate),
- (e) *Assessment of Commercial Facilities Management Procedures:* involvement of the municipality, relationships with merchants, carriers, and other users.
- (f) *Identification of Potential Institutional Support:* identification and summary description of support for organization and management provided by projects and NGOs.

Identification of the Priority Investment Program and the Accompanying Measures (Municipal Adjustment Program)

Validation of the Priority Investment Program Budget

4. Based on the financial diagnostic and interviews of municipal leaders, the consultant shall make recommendations as to the size of the Priority Investment Program and any related counterpart (percentage of the Priority Investment Program paid for by the municipality). The consultant shall validate the pre-assessed budget or make the necessary adjustments to suit the municipality's financial capacities. On this basis, the consultant shall assess the size of the counterpart financing in relation to the municipality's room for maneuver over the next two fiscal years (current income, capitalized savings, etc.) The consultant shall then present a timetable for paying the counterpart, in compliance with the Project procedures (availability of counterpart funds before signing the works contracts).

Definition and Content of the Priority Investment Program

5. Based on the urban diagnostic and various meetings, the consultant shall draft a preliminary list of projects that are likely to relieve the problems observed and meet the needs expressed. The Consultant shall complete the list with the list of projects compiled by the authorities or the representatives of civil society. Each project shall be fully documented: origin of the request, cost estimate, need concerned, arguments, etc.
6. In consultation with the authorities, the consultant shall propose the projects to be selected for the Priority Investment Program:
 - (a) the amount of the Program shall correspond to the validated budget (see 5 above).
 - (b) expenditure on renovation work should be comparable to that for new work.
 - (c) the selection shall be made in accordance with the various criteria put forward by the consultant, such as:
 - acceptable social and environmental impacts, viability.
 - eligibility of the project according to the "project scoreboard".
 - technical feasibility, particularly with regard to resources and project deadlines.
 - institutional feasibility: implementation, operation, maintenance, etc.
 - no duplication of ongoing projects.
 - etc.
7. The Priority Investment Program will be outlined in the provisional report, with more details in the project briefs in the final report, and decided after the preliminary design studies.

Definition of Accompanying Measures (Municipal Adjustment Program)

8. Based on the urban, financial, and organizational diagnostic, the consultant shall set out:
 - (a) some recommendations (10 maximum) for the municipality to improve its management; the recommendations should be practical and realistic so that the municipality can implement them rapidly; the recommendations should

focus on financial and organizational issues and be expressed in the form of performance criteria; the performance review at the end of the Project will help prepare the second phase of the Program.

- (b) a maintenance program that can be carried out by municipal staff under force account implementation or by jobbers under contract during the Priority Investment Program.
- (c) priorities worked out with the municipal authorities in terms of minor equipment and facilities to be acquired, training, and occasional technical assistance; these priorities could be financed out of the project funds up to the limits of the commitments made under this component.

Project Briefs

9. The project briefs are part of the final report and they describe the reasons for the choices made, the project location, the project implementation and management, the work program, as well as costs. The project briefs contain the following sections: Priority • Justification • Economic Review⁷⁷ • Environmental Impact • Social Impact • Special Eligibility Requirements (consent of staff in charge) • Description of Work Program (organization chart) • Deadlines • Estimated Cost • Recurring Expenses • Land Tenure Situation • Location Map • Diagram of the Project and Connection to Utilities • Management Procedures • Risks and Factors to be Considered (physical data, beneficiaries' views, etc.). Special attention shall be paid to the program description and the cost assessment.

Preliminary Design Studies

10. The consultant shall prepare the technical reports for the Preliminary Design Studies relating to the projects chosen by the municipality as part of the Priority Investment Program. The consultant shall prepare the following charts and texts for each facility:
 - Presentation: current situation, project description, work schedule
 - Location map on a 1/10,000 scale
 - Area map on a 1/1,000 scale
 - Road map on a 1/1,000 scale
 - Diagram of traffic and roads on a 1/500 scale
 - Map showing superstructures on a 1/100 scale
 - A supporting report on the development projects
 - A bill of quantities and an estimate for projects with different levels of facilities
 - Report on the economic and/or financial viability of the project, along with the facilities management procedures, where appropriate

Bidding Documents

11. The documents shall include the descriptions, maps, diagrams, calculations, and texts necessary for understanding and carrying out the project. The bidding documents shall be in accordance with the documents used for IDA-financed projects in Mali.

⁷⁷ Simplified scoreboard for economic and environmental impact review.

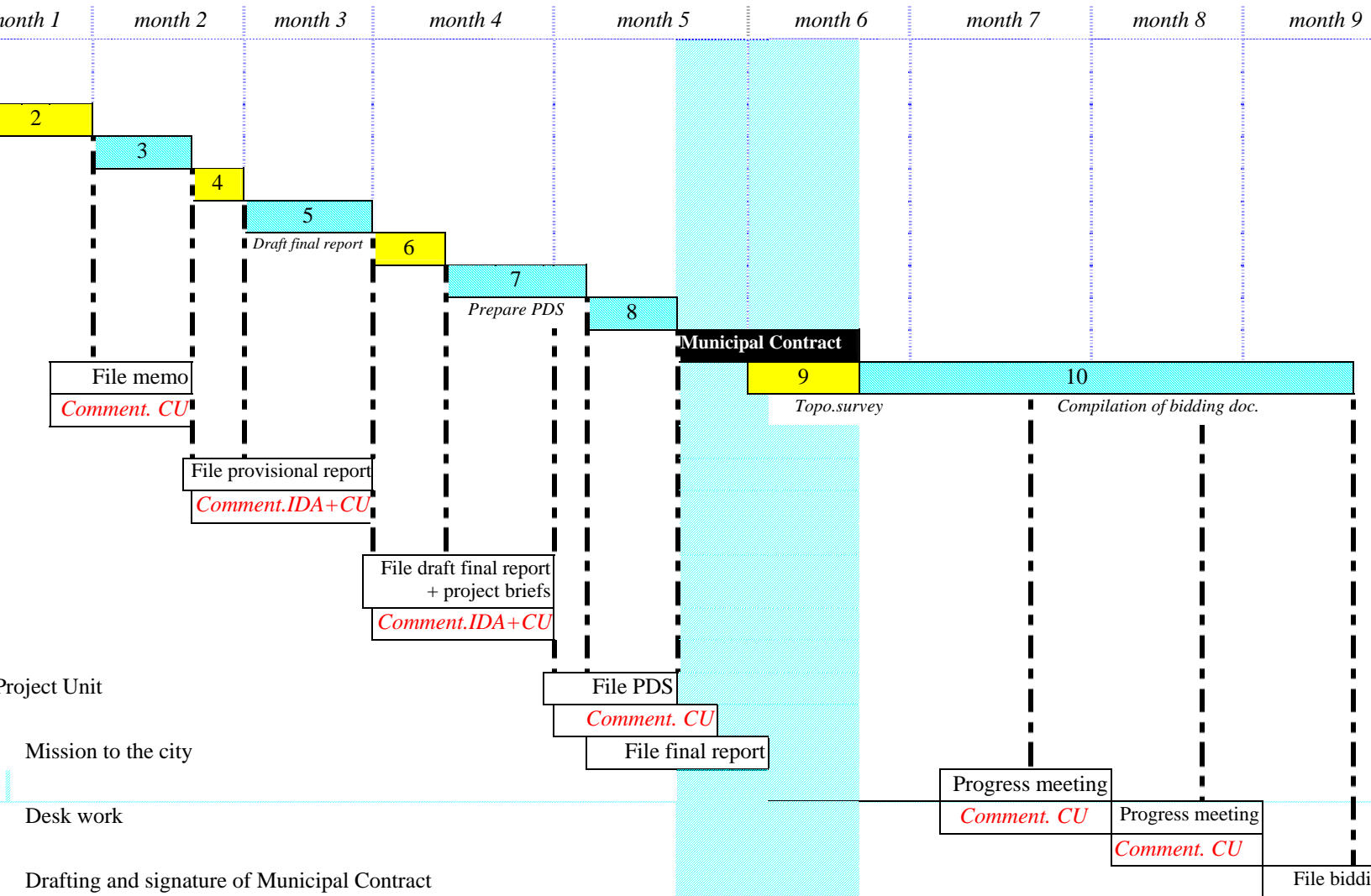
Detailed Preliminary Design Study

12. The Detailed Preliminary Design Study will include:
- (a) Buildings
 - Descriptions of work for all building trades
 - Quantity surveys for all building trades
 - Graphics (plans, sections, vertical sections, elevations, profiles) on a 1/50 scale
 - Detailed drawings (as required)
 - (b) Roadways and parking
 - Supporting report
 - Outline sketches (1/200 scale)
 - Vertical cross sections (1/200 and 1/20)
 - Horizontal cross sections (1/500 and 1/50)
 - (c) Drainage
 - Supporting report
 - Network plan (1/500)
 - Horizontal cross sections (1/500 and 1/50)
 - Standard drawings
 - Special drawings
 - Bill of quantities
 - (d) Other Infrastructures
 - Supporting report
 - Drawing on a 1/500 scale
 - Bill of quantities
- The quantity survey and the framework for the cost estimate should also be included for all Preliminary Design Studies.

Bidding Documents

13. The consultant shall compile the bidding documents in accordance with the Donor's "guidelines".
14. The bidding documents shall include
- (a) the notice of the call for tenders
 - (b) the bid form (tenders)
 - (c) general and special administrative clauses
 - (d) general and special technical clauses
 - (e) terms of reference for the bill of quantities (including the quantities of work for each item)
 - (f) all the annexed forms (bid bond, performance bond, etc.)
- The consultant shall also provide a confidential estimate.

Timetable for preparing audits and bidding documents



ANNEX 2: REORGANIZATION OF THE MINISTRIES AND REDEFINITION OF THEIR FUNCTIONS

In May 2004, the Ministries were reorganized and their powers redefined to give the central Government the means to achieve its strategic objectives for development and to meet the challenges of decentralization. The reorganization brought about substantial changes in the framework for the central Government's action.⁷⁸

Urban areas come under five main ministries:

- The Ministry of Land Use Planning (National Directorate of Planning and Development). The Support Unit for the National Capacity Building Program for Strategic Development Management is part of this Directorate.
- The Ministry of Territorial Administration and Local Government, which oversees the ANICT through the National Local Government Directorate (DNCT).
- The Ministry of Public Works and Transportation (National Highways Directorate, National Transportation Directorate), which oversees the Sectoral Transportation Project and the AGETIPE.
- The Ministry of Housing and Urban Development through the National Directorate of Urban Development and Housing, which oversees the Urban Development and Decentralization Project. The Directorate of Urban Development and Housing formulates some of the national urban development and housing construction policies.
- The Ministry of Government Land and Property (National Directorate of Government Lands and the Land Register, Directorate General of the Government Assets Administration), which oversees the ACI.

Two other ministries carry out actions in urban areas with regard to water, sanitation, and energy:

- The Ministry of the Environment and Sanitation (National Directorate of Sanitation and Pollution Control).
- The Ministry of Mining, Energy, Water (National Energy Directorate and DNH).

Institutional Framework for Land Policies Prior to the March 2000 reforms⁷⁹ and the ensuing legislative measures in 2001 and 2002⁸⁰, the Government Property and Land Code of August 1, 1986 upheld the State's role as the country's sole landholder;

⁷⁸ Journal Officiel de la République du Mali. Spécial No 04. Mai 2004.

⁷⁹ Journal Officiel de la République du Mali. Publié avec l'appui du PDUD. Ordonnance n° 00-027 / P-RM du 22 mars 2000 portant Code Domanial et foncier.

⁸⁰ Journal Officiel de la République du Mali. Publié avec l'appui du PDUD. Loi et Décrets d'Application du Code Domanial et Foncier : (a) Loi n° 02-008 du 12 février 2002 portant modification et ratification de l'ordonnance n° 00-027/P-RM du 22 mars 2002 portant code domanial et foncier; (b). Décret N° 02-111/P-RM du 6 mars 2002 déterminant les formes et les conditions de gestion des terrains des domaines publics immobiliers de l'État et des collectivités territoriales; (c). Décret N° 02-112/P-RM du 6 mars 2002 déterminant les formes et les conditions de gestion des terrains du domaine privé immobilier des collectivités territoriales; (d) Décret N° 02-113/P-RM du 6 mars 2002 fixant les modalités d'organisation et de confection du cadastre; (e) Décret N° 02-114/P-RM du 6 mars 2002 portant fixation des prix de cession et des redevances des terrains urbains et ruraux du domaine privé de l'État, à usage commercial, industriel, artisanal, de bureau, d'habitation ou autres; (f) Décret N° 02-115/P-RM du 6 mars 2002 portant fixation des barèmes généraux de base des prix de cession, des redevances des terrains ruraux appartenant à l'État et détermination de la procédure d'estimation des barèmes spécifiques.

land held by local government or private owners accounted for less than 2 percent of the total registered land. The first measures will actually increase the administrative and financial constraints on the land market, instead of decreasing them. A rereading of the Government Property and Land Code in 1991 helped to clarify the requirements for allocation and sales of central Government land to land developers.

Several structures were created for the implementation of the program:

- The ANICT, an administrative public establishment overseen by the Ministry of Territorial Administration and Local Government, is responsible for providing financial support for the three levels of local government. The FICT is used by the ANICT to provide basic social services and promote local economic development.
- The National Coordination Unit works under the authority of the DNCT to coordinate technical support from the Municipal Advice Centers. The Municipal Advice Centers operate within the various circles.
- Local Guidance Committees were set up to guide the technical support work aimed at municipalities. The subsidy requests from municipalities are examined by a Regional Guidance Committee.

It should also be noted that two professional bodies were set up under the Urban Development and Decentralization Project. These are the Order of Architects and the Order of Engineers. They were set up to enhance the soundness of those professions. Both bodies are private-sector entities, but they are overseen by the Ministry for Urban Development and the Ministry of Public Works respectively.

Technical Support Unit for the Bamako Municipalities, works on behalf of local governments, the central Government, and international financial partners. Its primary business is delegated project management or project management assistance for local governments, street addressing, using funds generated by public commercial facilities for the benefit of municipalities, and training for elected officials, municipal workers, and non-profit groups.

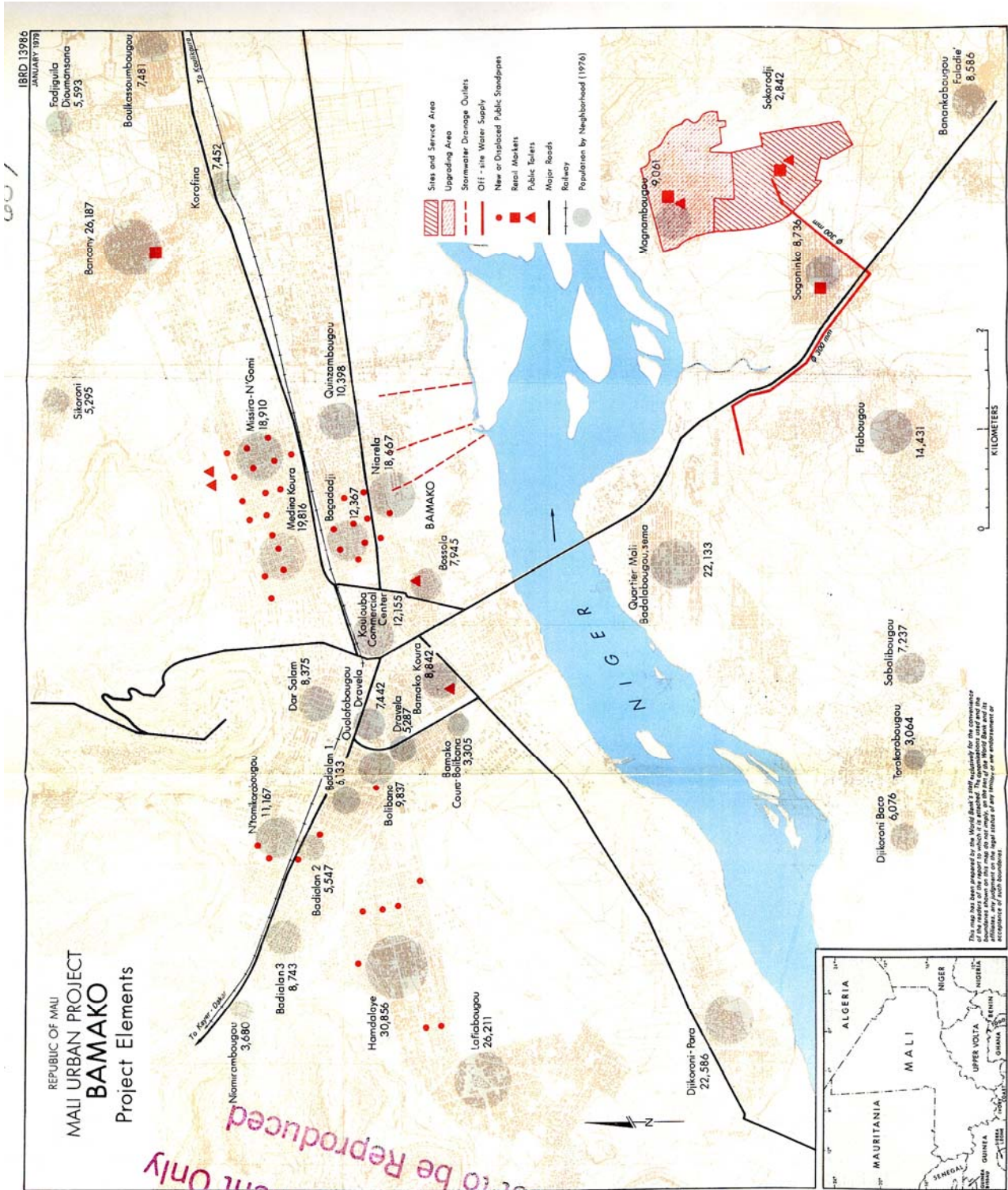
It provided supervision and assistance for project management for several projects in Bamako (street addressing, urban roadways, markets and shopping centers). Its action extends beyond Bamako. More specifically, it created the street addressing in Kayes, Sikasso, Ségou, Mopti-Sévaré, and Gao as part of the Urban Development and Decentralization Project.

The DNCT's 2003-2005 Action Plan identifies the main problems encountered and achievements to build on. It suggests using a gradual and participatory strategy for decentralization. The areas for action are aimed primarily at completing the transfers of powers and funds from the central Government to local governments, developing local governments' financial capacities, building the capacities of decentralization stakeholders, supporting decentralized cooperation projects, and enhancing the DNCT's role in steering and coordinating projects.⁸¹

⁸¹ Ministère de l'Administration Territoriale et des Collectivités Locales. DNCT. Plan d'action DNCT, 2003-2005. October 2003.

ANNEX 3: MAP OF BAMAKO, 1979.

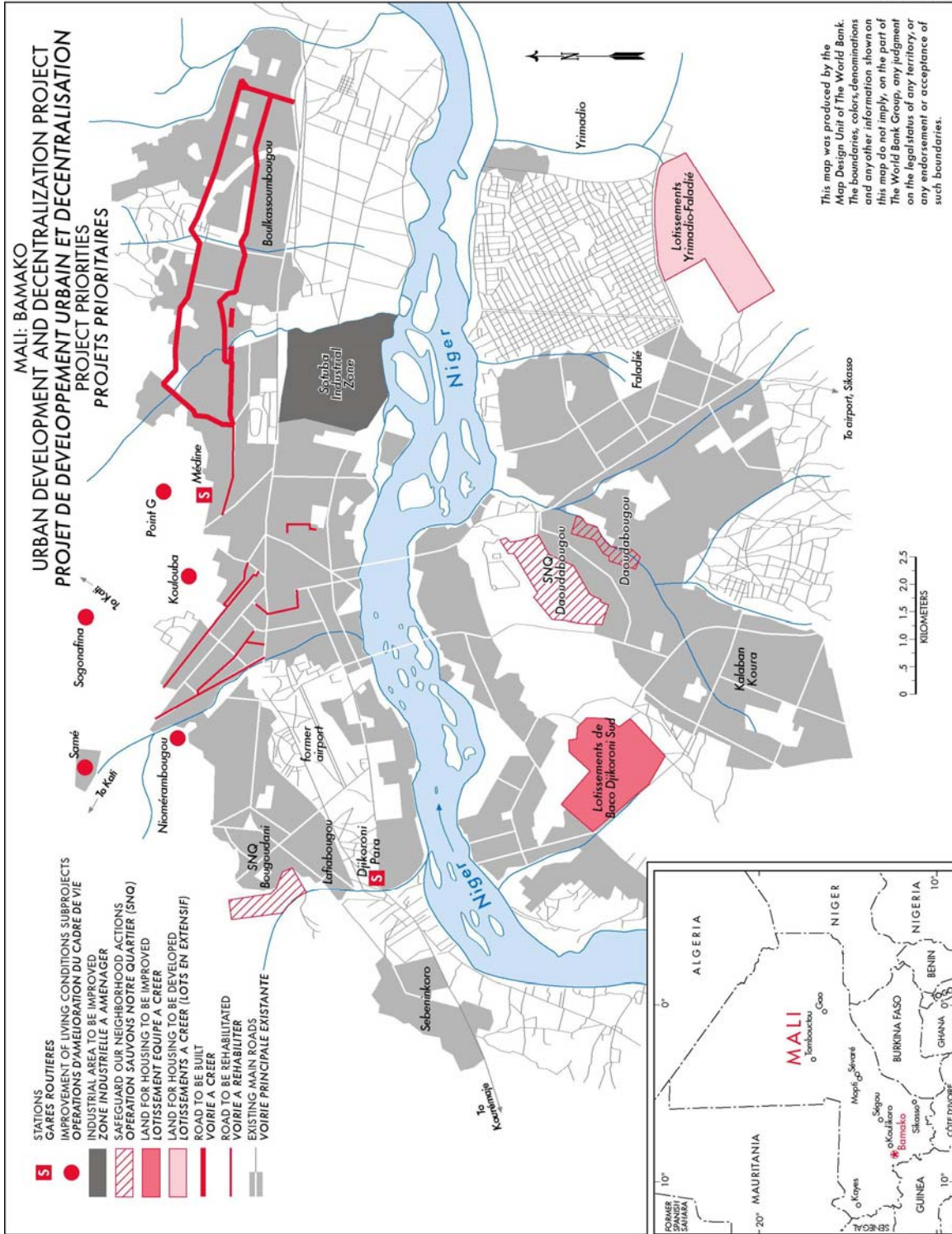
The Population Figures date from 1976.



Reference Document Only

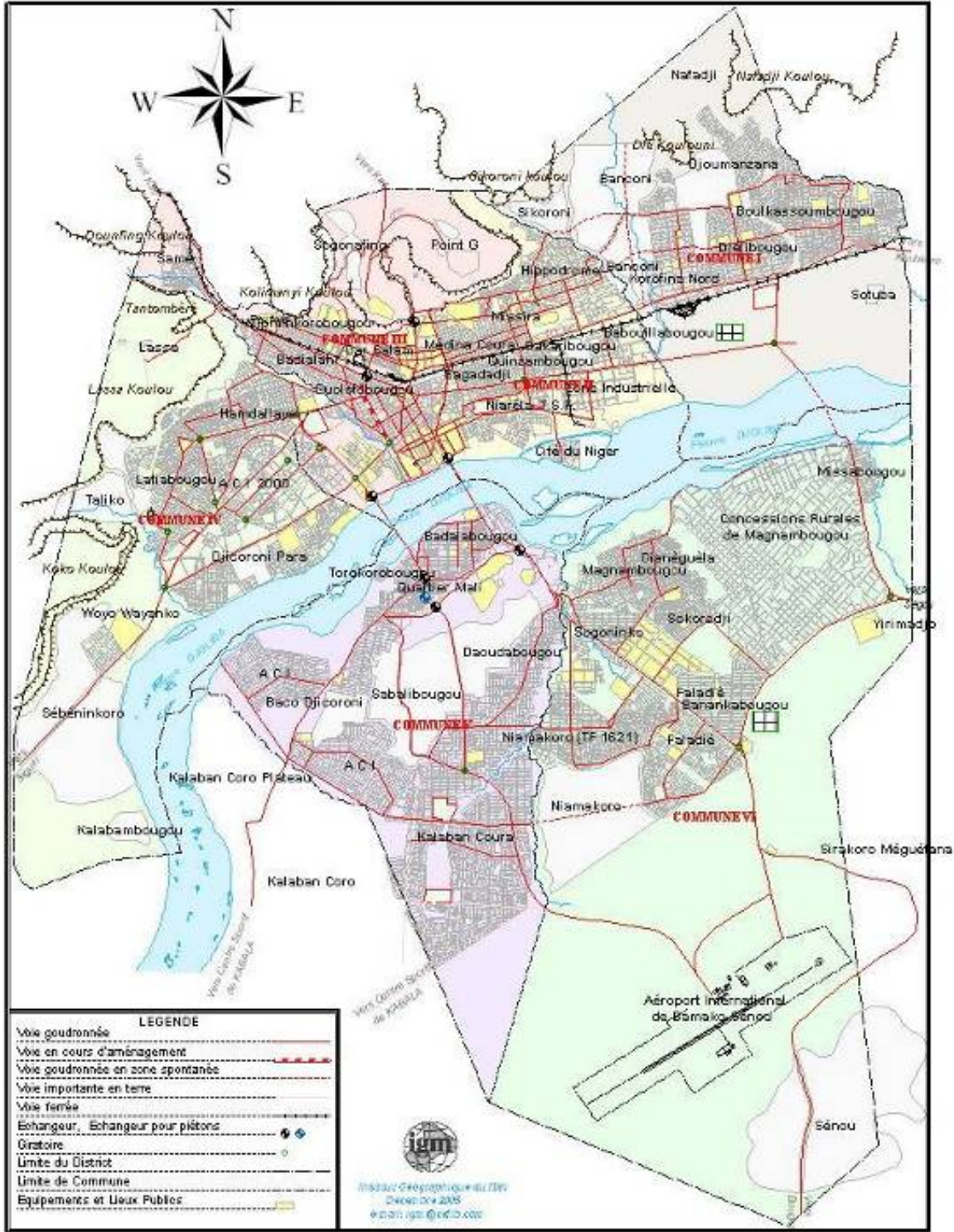
ANNEX 4: MAP OF BAMAKO, 1996

IBRD 28248



ANNEX 5: MAP OF BAMAKO, 2005

DISTRICT DE BAMAKO
CARTE ROUTIERE



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