

**Ministry of Foreign Affairs - Bamako**

F2 reference: 2016-15908

**Meeting in the Council for Development Policy 28 March 2017**

**Agenda item 3**

- |   |   |
|---|---|
| <b>1. Overall purpose</b>                       | For discussion and recommendation to the Minister |
| <b>2. Title:</b>                                | Country Programme for Mali                        |
| <b>3. Presentation for Programme Committee:</b> | 21 April 2016                                     |

# Denmark-Mali Country Programme 2017-2022

<b>Key results:</b> <ul style="list-style-type: none"> <li>20,000 young people provided the opportunity to claim their legal rights, including 10,000 women and girls.</li> <li>Mali's National Human Rights Commission accredited by ICC for conforming with the Paris Principles.</li> <li>Public resources managed by local governments increased from 9% in 2015 to 30% in 2022.</li> <li>75% of supported local government entities publish audit report findings, annual budget and expense figures.</li> <li>Score in the Public Participation category of the Open Budget Survey improved from 4 in 2015 to 25 in 2022.</li> </ul>	<b>File No.</b> 2016-15908																																
	<b>Country</b> Mali																																
	<b>Responsible Unit</b> Bamako																																
	<b>Sector</b>																																
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<b>Desk officer</b> Frank Jensen																																	
<b>Financial officer</b> Lisbeth Barclay																																	
<b>SDGs relevant for Programme</b> [Maximum 5]																																	
<b>Justification for support.</b> <ul style="list-style-type: none"> <li>A stable Mali is key to countering the cross-border threats and conflicts in the Sahel that cause irregular migration and pose a risk to global and regional peace and security.</li> <li>The Malian population has experienced a significant deterioration in the quality of governance and the ability to participate in political processes.</li> <li>Despite the signing of a Peace Agreement and successfully held local elections, Mali remains trapped in a situation of conflict and evaporating confidence in the state.</li> <li>Mali suffers from entrenched poverty, high and growing unemployment, inadequate basic services, high rates of population growth and food insecurity.</li> <li>Mali ranks 179 out of 188 countries on UNDP's Human Development Index.</li> </ul>	<b>Budget</b> <table border="1"> <tr> <td><b>1-Peaceful Co-existence</b></td> <td><b>294.1</b></td> </tr> <tr> <td><i>Engagement 1: Fond for support to change agents (CSOs)</i></td> <td>97.0</td> </tr> <tr> <td><i>Engagement 2: Centre for Humanitarian Dialogue</i></td> <td>52.7</td> </tr> <tr> <td><i>Engagement 3: UN Women</i></td> <td>56.0</td> </tr> <tr> <td><i>Engagement 4: Minusma Trust Fund</i></td> <td>55.0</td> </tr> <tr> <td><i>Unallocated</i></td> <td>33.4</td> </tr> <tr> <td><b>2-Decentralisation</b></td> <td><b>408.7</b></td> </tr> <tr> <td><i>Engagement 1: Ministry of Decentralisation</i></td> <td>227.0</td> </tr> <tr> <td><i>Engagement 2: Sikasso Regional Council</i></td> <td>107.2</td> </tr> <tr> <td><i>Engagement 3: The Budget Monitoring Group (GSB)</i></td> <td>11.5</td> </tr> <tr> <td><i>Unallocated</i></td> <td>63.0</td> </tr> <tr> <td><b>3-Private Sector Development (on-going)</b></td> <td></td> </tr> <tr> <td colspan="2"><i>The ongoing programme was approved in 2013 and runs until end 2018. DKK 220 million for the next phase of support to private sector development will be presented for approval in 2018.</i></td> </tr> <tr> <td><b>Local Grant Authority</b></td> <td><b>25.0</b></td> </tr> <tr> <td><b>Programme Support</b></td> <td><b>32.0</b></td> </tr> <tr> <td><b>Total</b></td> <td><b>760.0</b></td> </tr> </table>	<b>1-Peaceful Co-existence</b>	<b>294.1</b>	<i>Engagement 1: Fond for support to change agents (CSOs)</i>	97.0	<i>Engagement 2: Centre for Humanitarian Dialogue</i>	52.7	<i>Engagement 3: UN Women</i>	56.0	<i>Engagement 4: Minusma Trust Fund</i>	55.0	<i>Unallocated</i>	33.4	<b>2-Decentralisation</b>	<b>408.7</b>	<i>Engagement 1: Ministry of Decentralisation</i>	227.0	<i>Engagement 2: Sikasso Regional Council</i>	107.2	<i>Engagement 3: The Budget Monitoring Group (GSB)</i>	11.5	<i>Unallocated</i>	63.0	<b>3-Private Sector Development (on-going)</b>		<i>The ongoing programme was approved in 2013 and runs until end 2018. DKK 220 million for the next phase of support to private sector development will be presented for approval in 2018.</i>		<b>Local Grant Authority</b>	<b>25.0</b>	<b>Programme Support</b>	<b>32.0</b>	<b>Total</b>	<b>760.0</b>
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<b>How will we ensure results and monitor progress</b> <ul style="list-style-type: none"> <li>Maintain partners' ownership and build their capacity.</li> <li>Keep focus on participation and transparency.</li> <li>Empower civil society to demand accountability.</li> <li>Use TA to reinforce M&amp;E and communicate results.</li> <li>Use un-allocated funds strategically to respond to changes in the context and address emerging issues.</li> </ul>																																	
<b>Risk and challenges</b> <ul style="list-style-type: none"> <li>Deterioration in the economy/security situation affecting the government's ability to finance development plans.</li> <li>Peace process derailed by "outside spoilers" not represented in the negotiations.</li> <li>Government funding for decentralisation reforms proves too low or too unstable to gain general acceptance as a tool for peace-building and equitable development.</li> <li>Increase in corruption, possibly triggered by increased opportunities due to decentralisation.</li> </ul>																																	
<b>Strat. objective(s)</b> <p>Sustainable peace and development underpinned by an inclusive and legitimate state with respect for human rights.</p>	<b>Thematic Objectives</b> <p>Promote a more peaceful and resilient society with respect for human rights</p> <p>Enhanced citizen participation and improved public services at local level.</p>	<b>List of Engagement/Partners</b> <ul style="list-style-type: none"> <li>Fund Manager to be recruited through EU Tender</li> <li>Centre for Humanitarian Dialogue</li> <li>UN Women</li> <li>MINUSMA</li> <li>Ministry of Decentralisation</li> <li>Sikasso Regional Council (<i>Conseil Regional de Sikasso</i>)</li> <li>The Budget Monitoring Group (<i>Groupe Suivi Budgetaire</i>)</li> </ul>																															

**DENMARK-MALI PARTNERSHIP**

**COUNTRY PROGRAMME DOCUMENT  
2017-2022**

**Final Version  
06 FEBRUARY 2017**

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- B. Partners – brief descriptions
- C. Results Framework at output level
- D. Budget at output level
- E. Risk Management Matrix
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- G. Terms of Reference for M&E Technical Assistance

## To be available on request:

- ✓ Development engagement documentation (engagement documents, agreements and partner's programme documents for all programmed development engagements)
- ✓ HRBA / Gender Screening Note
- ✓ Climate Change and Green Growth Screening Note
- ✓ Other documents deemed relevant

## Abbreviations

ADR	Agences de Développement Régional
AfDB	African Development Bank
AGETIER	Agence pour la Gestion et l'Exécution des Travaux d'Infrastructures et d'Équipements Ruraux
ANICT	Agence Nationale d'Investissement des Collectivités Territoriales
CHD	Centre for Humanitarian Dialogue
CNPM	Conseil National du Patronat du Mali
CP	Country Programme
CPER	Contrats-Plan État-Région
CREDD	Cadre stratégique pour la Relance Economique et le Développement Durable du Mali
DE/DED	Development Engagement/Development Engagement Document
DER	Regional Economic Development
EU	European Union
EUCAP	European Union Civilian Training Mission
FAMOC	Fonds d'Appui aux Moteurs du Changement
IFAD/FIDA	International Fund for Agricultural Development; Fonds international de développement agricole
FNACT	Fonds National d'Appui aux Collectivités Territoriales
GSB	Groupe de Suivi Budgétaire
IMRAP	Institut Malienne de Recherche Action pour la Paix
LGA	Local Grant Authority
M&E	Monitoring and Evaluation
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MATDRE	Ministère de l'Administration Territoriale, de la Décentralisation et de la Reforme de l'Etat
ODA	Official Development Assistance
PACEPEP	Programme d'Appui à la Croissance Economique et Promotion de l'Emploi stimulées par le Secteur Privé
RTE	Real-Time Evaluation
OECD	Organisation for Economic Cooperation and Development
SCAP	Stratégie Commune d'Assistance Pays
SCD	World Bank Systematic Country Diagnostic
SDG	Sustainable Development Goals
SME	Small and Medium size Enterprises
TA	Technical Assistance
TP	Thematic programme
UNDP	United Nations' Development Programme
UNHCR	United Nations High Commissioner for Refugees
VfM	Value for Money

## 1 INTRODUCTION

The Denmark-Mali Country Policy Paper 2016-2021 was approved and launched in January 2016. The Policy Paper establishes that Denmark's foreign and security policy interest in the Sahel region concerns countering the cross-border threats and intra-state conflicts that pose a risk to global and regional peace and security, and contribute to increased irregular migration towards Europe. Because of the location at the centre of the Sahel, a more stable, secure and democratic Mali will help stabilise the region and confront the cross-border threats of violent extremism and radicalisation, trafficking and transnational crime.

The Country Policy Paper presents a vision of a stable Mali enjoying sustainable peace and development, underpinned by an inclusive and legitimate state with respect for human rights, while recognising the inter-dependence between security and development to ensure a durable resolution of the crisis. Pursuing this vision, the policy identifies peaceful co-existence; strengthened democratic and inclusive governance; and inclusive and sustainable economic growth as strategic objectives to guide Denmark's broad-based and comprehensive partnership with Mali over the coming years.

This Country Programme Document provides an overview of how Denmark's bilateral development cooperation with Mali for the period 2017-2022 will contribute to the vision and strategic objectives of the country policy paper. The Country Programme will be implemented as an integral part of Denmark's comprehensive foreign policy engagement in Mali and will contribute to the above three strategic objectives. Other supporting instruments will include Denmark's on-going policy dialogue with the Malian government and key partners to Mali's development, including the EU and the UN; Denmark's country programmes in Burkina Faso and Niger; the regional Sahel Stabilisation Programme; Denmark's cooperation with multilateral and regional organisations; humanitarian assistance; military and security-related cooperation; and commercial relations.

Mali has come a long way towards stability since the 2012 crisis emerged. Notably a democratically elected government is in place and a Peace Accord has been signed between the parties to the conflict. However, Mali still faces important challenges and given the track record for the implementation of the Peace Accord and the experience of past peace agreements, it is likely that Mali's future transition process will not be smooth and linear. The Country Programme takes its point of departure in the context of continued political, socio-economic and security-wise fragility and is designed to be robust in this context. Based on the three scenarios set out in the Country Policy Paper, it applies a flexible design, aimed at responding to both positive and negative developments in the overall situation while preserving a focus on results.

The policy objectives are aligned with key Malian policy and development documents, including the Peace Accord; Danish development policy; and EU's strategic plans for Mali and the Sahel region. They are also in keeping with the UN's Post-2015 agenda for sustainable development. The Country Programme will in particular contribute towards the 2030 Sustainable Development Goal (SDG) 8 (*Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*) and Goal 16 (*Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*). Through the pursuit of these SDGs, the Country Programme will be contributing to *ending poverty in all its forms* in Mali by 2030 (SDG 1).

## 2 THE COUNTRY PROGRAMME CONTEXT AND SUMMARY

### 2.1 Key findings and conclusions from the preparatory phase and recent developments

Repeated violations of ceasefire agreements and human rights, and the obstruction of access to humanitarian assistance have revealed a lack of a shared vision for peace among the signatories to the Algiers Peace Accord of May/June 2015 and large areas of the Northern regions are still controlled by the armed groups and terrorist groups. In addition, violence and radicalisation has escalated in the centre of the country. Moreover, the analysis carried out in preparation for this country programme indicates that the relationship between the Malian people and its government is increasingly strained, evidenced by the increasing number of protests in the capital and across the country. Despite the government's commitment little progress has been made during the past couple of years in addressing security challenges, creating jobs, and in tackling corruption.

Various analyses, including the Embassy financed *“Drivers of Change Study”* (2014), point at four major factors negatively affecting the social contract between the Malian population and the state:

- Ineffective institutions, perceived as being corrupt, lacking political will, and contributing to a lack of accountability and insecurity;
- Weak capacity across all institutions, governmental as well as non-governmental;
- Significant challenges facing the peace and reconciliation process; and
- Inadequate inclusion and civic engagement resulting in marginalisation and apathy as well as local conflicts.

In recent years these factors have overlapped and mutually affected each other, undermining attempts at good governance and exacerbating the tensions between the population and the state. A key conclusion emerging from the preparatory analysis is that the restoration of the social contract between the Malian state and its citizens will be essential to reversing the current negative trends.<sup>1</sup>

### Conflict and Insecurity

According to the 2016 Fragile States Index, the situation in Mali has worsened over the past year.<sup>2</sup> Mali now ranks as the 29<sup>th</sup> most fragile country out of 178 participating nations.<sup>3</sup> Terrorism remains a threat to the stability of the country and the wider region. Armed groups continue to assert territorial claims in the northern parts of Mali. Radicalisation is on the rise and the Malian authorities and armed forces are increasingly driven out also from the central part of the country, and substituted by terror groups and the introduction of Sharia law. Thus, the activities of the terrorist armed groups jeopardise the protection of civilians, undermine the government, prevent the restoration of basic services, open up for trafficking of people and goods, and threaten to destabilize neighbouring countries. The growing insecurity is also fed by banditry and existing tensions, including inter- and intra-communal conflicts that seem to increase in the areas of Gao, Mopti and northern Ségou.<sup>4</sup> The situation has compromised the ability of the population to re-engage in socio-economic activities critical to rebuild lives and to facilitate the return of people displaced as a result of the conflict. Some 135,000 Malians who have fled from the conflict continue to live in exile in Burkina Faso, Mauritania and Niger; and 1.5 million people still depend

<sup>1</sup> In May 2016, representatives from all regions of Mali and refugee camps in Mauritania and Niger gathered in Bamako at the 2nd National Conference on *“Chronic insecurity, the evolution of values: proposed solutions to lasting peace in Mali.”* The participants strongly emphasized the need to create a broad dialogue, at all levels, in order to establish a consensus on these values and, ultimately, determine the Malian social contract.

<sup>2</sup> Mali is not a member of the g7+ Group of fragile States, or a signatory of the New Deal. However, it is on the WB-AfDB-ADB harmonised list of fragile states, and on the OECD fragile states list.

<sup>3</sup> The Fund for Peace ranks Mali in the *“Alert”* group, more fragile than countries like North Korea, Congo and Rwanda, but less fragile than Mauritania and Liberia.

<sup>4</sup> Briefing the Council on 16 March 2016, French Ambassador François Delattre stated that during the mission “the Council offered its support to the Malian forces that are at the front line of the fight against terrorism, particularly in central Mali, which has been destabilised by an increase in terrorist attacks since early 2015”.

on international humanitarian assistance.<sup>5</sup> The level of insecurity makes delivery of humanitarian assistance very challenging.

### **Political Context**

In 2014, shortly after the return to democratic rule, Mali ranked 179 out of 192 participating nations in terms of political stability.<sup>6</sup> Despite the signing of the Peace Accord, this situation has not improved significantly. Issues dominating the political agenda include the slow implementation of the peace agreement and the lack of progress in areas as confidence-building measures, reconciliation, provision/reconstruction of basic services in the north and decentralisation. Ensuring that cantonment, disarmament, demobilisation and reintegration take place within the broader context of security sector reforms remains a key political challenge. So does addressing the grievances and frustrations of different communities that have seen little of the expected peace dividend. Discontent is also growing in the south where studies, such as the World Bank's Systematic Country Diagnostic (SCD) revealed that it has manifested itself through incivisme (not paying taxes; rejection of the state; self-provision of services), low participation rates in elections and low approval ratings of officialdom.<sup>7</sup> After four successive adjournments, Mali succeeded in holding local elections on November 20, 2016, thereby concluding the electoral cycle that marks the return to constitutional order after the 2012 crisis and the coup d'état. Mali's indicative election calendar also includes regional elections to be held during first quarter of 2017, presidential elections in July 2018 and elections for the National Assembly in November 2018.

### **Social and Gender Context**

Ranked 179 out of 188 countries (UNDP's Human Development Index 2015), Mali is one of the world's poorest countries. According to the Multi-dimensional Poverty Index, 54.5% of Malians live in severe poverty, primarily deprived of education, access to cooking fuel and water and sanitation, while experiencing high child mortality rates and poor nutrition.<sup>8</sup> A population growth in excess of 3% constitutes in itself a huge challenge for reducing poverty. Poverty incidence has steadily decreased up to 2012, yet the absolute number of the poor is increasing due to the high population growth rate. Although national gender-disaggregated poverty data are scarce, there seems to be evidence that, in general, gender equality has not improved and that poverty is in particular adversely impacting on the livelihood of women and young people. A Danida-funded comprehensive research carried out over the period from November 2013 to March 2015 and during which more than 4,700 Malians were consulted, identified the erosion of societal values as the key main obstacle to peace in Mali followed by limited access to employment for youth, deficiencies in governance in the areas of public affairs, and chronic insecurity.<sup>9</sup> In the Global Gender Gap Report 2015 Mali is ranked 137 out of the 145 participating nations. Mali falls far below parity in all categories: women's economic participation and opportunity (109), educational attainment (139), health and survival (141), and political empowerment (116). Among the participating countries in Sub-Saharan Africa only Chad (142) ranks lower. On November 12, 2015, the Malian National Assembly adopted a historic gender quota bill. The new law, which requires that at least 30% of elected or appointed officials be women, is a result of concerted actions to reverse several years of negative trends in women's representation in positions of power. The law follows on similar initiatives over recent years including most the decision that women should have access to a minimum of 30% of the state-owned land under irrigation.

### **Economic Context**

Eighty per cent of the Malian population depend on agriculture or livestock for their livelihood. These primary sectors are extremely vulnerable to weather conditions and already experiencing the

<sup>5</sup> UNHCR, Operational Update, 31. Aug. 2016

<sup>6</sup> TheGlobalEconomy.org based on data provided by the World Bank (govindicators.org)

<sup>7</sup> Priorities for Ending Poverty and Boosting Shared Prosperity, Systematic Country Diagnostic, p. XV, June 14, 2015; World Bank

<sup>8</sup> Oxford Poverty and Human Development Initiative, OPHI Country Briefing June 2016: Mali

<sup>9</sup> Self-portrait of Mali on the obstacles to peace, Institute for Action Research for Peace and Interpeace, March 2015



effects of climate change. Cotton, gold and livestock provide 90% of Mali's export revenues (2016). Before the crisis, Mali was known as one of Sub-Saharan Africa's strongest investment climate reformers<sup>10</sup>. Despite measures by the government to improve the business climate (e.g. through the introduction of a one-stop shop for new investors/enterprises, and openness to foreign investors), the World Bank Doing Business 2015 ranks Mali 146 out of 189 countries. The private sector comprises mainly small family-based enterprises with no or little potential to move beyond a subsistence economy. This is a structural bottleneck for both economic growth and job creation. Other problems hampering private sector growth include: the breadth of corruption<sup>11</sup>, lack of technical and vocational skills, lack of access to financing, cumbersome regulatory and fiscal procedures, a rudimentary judiciary system and an insufficient public infrastructure network.

### **Governance Context**

World Bank Governance Indicators indicate that Mali has experienced a significant deterioration in the quality of governance over the past decade.<sup>12</sup> A trend that is confirmed by the 2015 Ibrahim Index of African Governance that states that Mali has regressed considerably since 2011. In the 2015 Open Budget Survey where Mali scores slightly higher than global average and higher than the neighbouring countries in the region, it is weaknesses in providing the public with opportunities to engage in the budget process that pulls down the score.<sup>13</sup> Despite this negative trend, democracy as a form of governance appears to have taken solid root in Mali. According to the 2013 Afro barometer survey 75% of Malians prefer democracy to other forms of governance, 92% prefer a unified country, and 87% believe that persons implicated in human rights violations should be banned from holding elected positions.<sup>14</sup> Recognising the challenges, the Government has embarked on a significant World Bank supported recovery and governance reform process aimed at improving public sector spending and strengthening government accountability and transparency while focussing on strengthening internal and external control institutions capacity, raising the effectiveness of decentralisation, and increasing public finance performance. In the World Bank's CPIA ranking that measures the quality of budgetary and financial management, Mali scored 3.50 out of a maximum of 6.0; the same score as countries like Uganda, Tanzania, Indonesia, and Niger.<sup>15</sup>

### **Human Rights Context**

According to the Ibrahim Index of African Governance Mali has experienced the largest deterioration of all participating countries in the participation and human rights category that measures the extent to which individuals can participate in, and take ownership of, the political process and, on the other hand, the state's achievement in guaranteeing the political and social rights of all citizens.<sup>16</sup> Despite the fact that the Peace Accord includes human rights provisions, recent UN assessment of the human rights situation<sup>17</sup> points to serious violations of the human rights of the civilian population by armed and extremist groups, in particular women and children. The situation is worsened by an increasing number of intercommunal and intra-communal conflicts and human rights violations rooted in escalating tensions between ethnic groups and the consequences of drug trafficking and other illegal trafficking. It should be noted that the Government has made some progress in implementing a transitional justice mechanism. On the 7<sup>th</sup> of July 7, 2016, the National Assembly passed a law that formally turned the National Human

<sup>10</sup> Mali IC Program - Phase 3, World Bank, 2015.

<sup>11</sup> Mali ranks 95<sup>th</sup> out of 168 in Transparency International's Corruption Perceptions Index (2015)

<sup>12</sup> Systematic Country Diagnostic, World Bank, Report No, 94191-ML, page 23.

<sup>13</sup> Mali's score of 4 out of 100 is at par with Niger and Chad, but significantly below the global average of 25. ([www.openbudgetsurvey.org](http://www.openbudgetsurvey.org))

<sup>14</sup> <http://www.afrobarometer.org/countries/mali-0>

<sup>15</sup> The CPIA assess the extent to which there is a comprehensive and credible budget linked to policy priorities, effective financial management systems, and timely and accurate accounting and fiscal reporting, including timely and audited public accounts; see also <http://www.worldbank.org/ida>

<sup>16</sup> See <http://iiag.online/>. Mali's score in the "Participation and Human Rights" category has fallen from 64.9 in 2006 to 52.5 in 2015.

<sup>17</sup> Report of the Independent Expert on the situation of human rights in Mali. UN Human Rights Council. 21 January 2016.

Rights Commission into an independent administrative authority with autonomous management and financing from the national budget.<sup>18</sup>

### Climate Change Context

In 2013, Mali ranked 161 out of 178 countries in the ND-GAIN index<sup>19</sup> that measures a country's vulnerability to climate change and other global changes in combination with the readiness to improve resilience. This position in the index is slightly worse than in 2010 where Mali ranked 154. According to its Climate Change Profile, Mali ranks 7 in terms of vulnerability and 128 in terms of readiness.<sup>20</sup> Hence, Mali is extremely vulnerable to climate change; but unready to combat climate change effects. Various sectors of Mali's economy are likely to be affected by climate change, including, most notably, agriculture, livestock breeding and fishery, all of which depend on suitable temperatures and precipitation.

## 2.2 Strategic Considerations and Choices

A stable Mali is not only justified in its own right, but is a necessity for confronting terrorism in the region and for successfully addressing the root causes of irregular migration towards Europe and thus complementing other efforts under the Valetta initiative. In this perspective a key **overall strategic consideration** behind the design of the country programme has been to contribute to restoring stability in Mali in close concert with the other instruments in the Country Policy for Mali and with due consideration to other regional activities supported by Denmark through the EU, regional programmes, and the country programmes for Burkina Faso and Niger. The country programme seeks to pursue this complementarity by applying an integrated approach that address Mali's immediate stabilisation needs while simultaneously addressing the root causes of the crisis and the binding constraints to Mali's longer-term development in close consultation with other development partners.

The country programme is designed to support the implementation of Mali's national development plan with a particular emphasis on those SDGs, which are prioritized for interventions in fragile contexts in the Danish strategy for development cooperation. Recent developments both in the North as well as those currently taking place in the centre of the country point at the need to stabilise the conflict-affected areas before more ambitious development plans can be realised. At the same time it needs to be acknowledged that the southern part of the country is fairly stable and eager to engage in the comprehensive decentralisation reforms foreseen in the Peace Accord. In this perspective, it has been a key strategic consideration to ensure that the country programme is sufficiently robust and yet sufficiently flexible in a changing context so that it can support both the short-term and immediate need of conflict-affected communities for peace and reconciliation while also meeting other communities demand for inclusive public services and need to engage in the democratic transition process.

The promotion of **peaceful coexistence** is argued as a strategic objective in the Country Policy and Mali needs help to reconstruct social cohesion and (re-)establish a culture of peaceful negotiation of conflicts. Perceptions of neglect of the North's ethnic groups, lack of equitable access to public services, corruption, a history of abuses perpetrated by the Malian army and armed rebel groups, a weak civil society, and a growing mistrust in state authorities are factors that have contributed to Mali's instability and a breakdown in the social contract between the people and their state. In the design of the thematic programme it has been a strategic consideration to not only promote a culture of peaceful negotiation of conflicts, but also to address barriers preventing effective civic engagement, in particular giving voice to youth and marginalised populations.

The support for the implementation of decentralisation reforms will contribute to the Country Policy's strategic objective of **promoting good governance and decentralised service delivery**.

<sup>18</sup> Law No. 2016-036 of 7 July 2016

<sup>19</sup> <http://index.gain.org/country/mali>

<sup>20</sup> Climate Change Profile Mali, Netherlands Commission for Environmental Assessment, Dutch Sustainability Unit, 9 July 2015

Although Mali has restored democracy with successfully held presidential and national assembly elections, it is clear that both the upcoming regional elections in 2017 and tangible progress in the foreseen decentralisation reforms will be critical to bringing the state closer to its citizens. In the design of the thematic programme in support of decentralisation, it has been a strategic consideration to not only finance the implementation of local development plans that deliver concrete benefits, but also to support ways of expanding opportunities for citizens to participate in local development process and to play a direct role in controlling and/or assuring accountability in the provision of services. Another strategic consideration has been to align with the national system and procedures during this period of vulnerability and to work both at the national and regional level with the aim of building strong feedback mechanisms between the policy level and the implementation level.

In addition to the need to ensure establishment of mechanisms for broader inclusion of civil society organisations and of citizens in public consultation and decision-making mechanisms, ensuring peace and stability also involves a reestablishment of the **legitimacy of the State** including its ability to respond to the basic needs of a fast growing population through provision of social infrastructure.

In the support of the third strategic objective of the Country Policy (increased inclusive and sustainable economic growth), support to the private agricultural sector through a value chain approach will be pursued throughout the country programme period. Promotion of **inclusive and sustainable economic growth** has a high priority on the national agenda as a prerequisite for reducing poverty and for laying the foundation for peace and stability. The agricultural sector remains in a medium-term perspective the key to reducing poverty in Mali and has a potential for growth thus enhancing livelihoods and job opportunities if structural bottlenecks in key value chains as well as factors impeding on private operators' options for growing their businesses are addressed. A particular challenge to be addressed in the country programme is how to most effectively ensure the inclusion of the growing number of young people in the private agricultural sector.

**Youth** dominates Mali's population composition and the majority of them are uneducated and unemployed.<sup>21</sup> This situation is especially critical for female youth where even fewer have attended school. Statistics indicate that more than 250,000 new workers enter the labour market annually, most with only very basic life and vocational skills.<sup>22</sup> Furthermore and as a result of a pronounced gerontocratic system, youth is to a large extent excluded from participation in deliberations of societal issues including in processes aimed at restoring and consolidating peace and stability in the country. Research, such as the one carried out by Interpeace/IMRAP with financing from Danida, provides evidence that limited integration of youth into Malian society constitutes a threat to social stability. In the country programme context, engaging the youth will not only be critical for livelihoods, but is also justified in the overall efforts to mitigate the potential for conflict.

A main consideration in the design of the programme has been to provide a contribution to address youth from two perspectives: On one hand youth constitutes a marginalised group with a potential threat in terms of religious radicalisation, increased crime levels, and social/political destabilisation and migration if inclusion of this segment of the population is not addressed. On the other youth also constitutes a population group with a potential as agents of change in society and of economic growth.

Although the current number of Malians **migrating** towards Europe is relatively low, this may change in the future, in particular if Mali's rapid population growth is exacerbated by the impact of climate change such as droughts and desertification, which can severely affect crop production and incomes. A consideration behind the choice of programmes has been the need to address the underlying grievances and sources of discontent that have fuelled the conflicts of the past, while

<sup>21</sup> According to the World Bank's Systematic Country Diagnostic 68% of Malians are under the age of 24.

<sup>22</sup> See for example Systematic Country Diagnostic, Priorities for ending poverty and boosting shared prosperity, the World Bank, June 14, 2015, page 1.

supporting key national reforms that will promote participation and inclusive decision-making, and increasing opportunities for the rapidly growing masses of unemployed Malian youth.

The programme is designed to incorporate the core **human rights principles** in the programme as such and in each of its thematic programmes. The application of these principles, seen as the foundation for empowerment, recognises that better representation and inclusion will be needed to strengthen the relationship between the State and its citizens and to reduce the country's vulnerability to re-occurrence of conflict. It also implies the need for a particular focus on not only youth but also on women. Women like youth have been hit harder by the crisis and there is a weak recognition of women's different roles in society, which needs to be taken further into account in peace building and reconciliation processes.

The Embassy will pursue **complementarity and synergies**<sup>23</sup> with other instruments under the umbrella of Denmark's comprehensive foreign policy, including other development activities in the region, such as those implemented under the regional stabilisation programme for the Sahel and the country programmes for Burkina Faso and Niger; but also in relation to the work carried out by Danish NGOs in terms of both humanitarian assistance and recovery activities within Mali and in border areas. This collaboration across instruments is of particular relevance in addressing the many destabilising factors that require a regional approach, including combatting criminal networks, radicalisation, and irregular migration. Within the context of the thematic programmes, it will be a strategic consideration to align with the EU Joint Programming Framework and to pursue and build partnerships with likeminded development partners. Whereas the former makes sense from the perspective of overall aid effectiveness, the latter makes sense with a view to share programme and institutional risks and to pursue an administratively lean programme.

As pointed out in the context analysis above, the situation in Mali remains highly unstable both from a security and socio-political point of view and a development towards a worst-case scenario cannot be excluded. This might lead to the need for a reorientation of the programme in terms of the choice of partners, the geographical and thematic focus and the need to meet e.g. emerging humanitarian needs. The programme seeks to build in **flexibility and robustness** through a balanced mix between state and non-governmental partners. Furthermore the use of partnerships with multilateral donors implementing large multi-sector programmes in the country contributes to ensuring some flexibility in the programme through a possible reorientation of funding within the partners' programmes to emerging priority areas. The planned regular monitoring of risks and assumptions and of the validity of the programme theory of change will form the basis on which such a reorientation of the programme will be founded in a dialogue between Mali and Denmark.

With a view to ensuring a **lean programme** in terms of monitoring, evaluation and policy dialogue, the number of development engagements have been kept down to the absolute necessary to meet the strategic objectives for the development cooperation between Denmark and Mali and to engage with partners, e.g. the MINUSMA, UN-Women, and CHD, with a proven track record in terms of ability to manage implementation of projects and with the ability to identify conflict risks and to carry conflict sensitivity analyses.

A strategic consideration has been to ensure that all thematic programmes are open to and actively encouraged to incorporate **climate change adaptation** into planning and budgeting exercises, including at local government levels, with a view to both actively reduce or eliminate negative effects on the climate or increase vulnerable population groups' resilience to stress of climate variability and change. In the upcoming thematic programme for private sector development it is envisaged that activities will include testing of key adaptive practices, such as dissemination of information about effective adaptive practices and facilitation of their adoption.

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<sup>23</sup>Possible synergies and complementarity within and between the thematic programmes are presented in the thematic presentations below.

### 2.3 Theory of Change and Assumptions

In view of the identified drivers of the recent conflict and opportunities to change as well as Denmark's and Mali's political priorities, the proposed country programme will effectively support change towards the realisation of the Algiers Peace Accord and national development plans, thereby contributing to sustainable peace and reduced poverty underpinned by a legitimate state and respect for human rights.

The three thematic programmes (TPs) i) Peaceful Coexistence ii) Decentralisation and iii) Private Sector Development are realised through 10 Development Engagements (DEs). The partners are carefully chosen to achieve the desired changes and support, based on partners' core mandates and competences. The mix of partners and engagements (government as well as CSOs and UN agencies) will support the desired changes with short to medium term results under each TP, overall contributing to longer term improvement of the political stabilisation, increased legitimacy of the state and faster social and economic development.

The DEs address the following key challenges under each programme:

Peaceful coexistence: The DEs address multiple conflicts and their underlying relational dynamics, engaging key stakeholders in conflict resolution processes, including excluded and marginalised youth and women, and creating spaces for these to act as agents of change.

Decentralisation: The DEs address economic inequalities, political exclusion and poor transparency and accountability, even distrust in the state, by improving public governance and local service delivery and improved public participation in decision-making at local and regional level.

Private Sector Development: The DEs will in particular address the rapidly growing pool of Malian youth and their engagement in meaningful and productive agri-business small-scale production, as well as providing opportunities for women to improve skills and businesses.

In the challenging and volatile context of Mali, the achievement of the desired changes is premised on a set of assumptions, outside the control of programme partners, but vital for the success of the programme. Some of the most important of these are:

- In an appropriately enabling environment, empowered actors will contribute to changing the underlying relational dynamics of conflict when provided opportunities to participate actively in peace building and reconciliation processes. The enabling quality of the environment hinges on developments in a number of aspects of the broader context, such as the development of alliances and allegiances in the national-level conflict, the positions of the respective conflicting parties within the regional, national, and local political economy, and the nature of alternative economic and political opportunities.
- Government officials and elected representatives will apply transparent, inclusive and participatory decision-making and administrative processes when sufficiently capacitated and informed, aware of the benefits of more transparent governance, and when submitted to efficient and regular checks and balances and external controls.
- Small and medium scale enterprises will make use of improved access to credit, capacity development, and a more facilitating infrastructure to grow their businesses, provided that the overall investment climate, including the security situation, provides sufficient incentives.

### 2.4 Aid Effectiveness Agenda

In 2013 Official Development Assistance (ODA) represented nearly 90% of the Malian government's tax revenue and 10.9% of Gross National Income, highlighting how dependent Mali is on external concessional finance for the implementation of its national plans.<sup>24</sup>

The Government's main tool for exercising its influence on this amount is the national development plan and the on-going dialogue with the international community. The donor

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<sup>24</sup> OECD, Aid at a Glance – Development Finance to Mali

community on its part has since the Brussels conference in May 2013 actively supported the Government's lead role in its efforts to promote aid effectiveness, including high-level participation in government-led follow-up conferences and in various national planning and review exercises.

In December 2015 the Malian government launched a new development plan that incorporates the reforms agreed to through the signing of the Peace Accord in May/June 2015.<sup>25</sup> The new plan seeks to provide a platform for improved donor alignment and coordination around the key reforms and priorities in the Peace Accord. The donor community on its part has acknowledged the new plan and updated the joint donor strategy for facilitating alignment and coordination.<sup>26</sup> The EU joint programming strategy for Mali is currently being reviewed and updated in the new context.

Denmark acknowledges Mali's need for increasing the effectiveness of the aid made available and the Government's lead role in this regard. The design of this Country Programme has been based on Mali's national priorities as agreed between Danish and Malian Governments during high-level policy consultations and communicated in national development plans, including the Peace Accord. The identification of thematic programmes and the development of the content of each of these have been conducted as an inter-active process with direct government participation and extensive consultation with non-governmental partners and other donors. Denmark will continue this cooperation during implementation, including adherence to the established mechanisms for tracking ODA to Mali and pursuing harmonisation via the Government's Secretariat for Harmonisation of Aid.

## **2.5 The Country Level Results Framework**

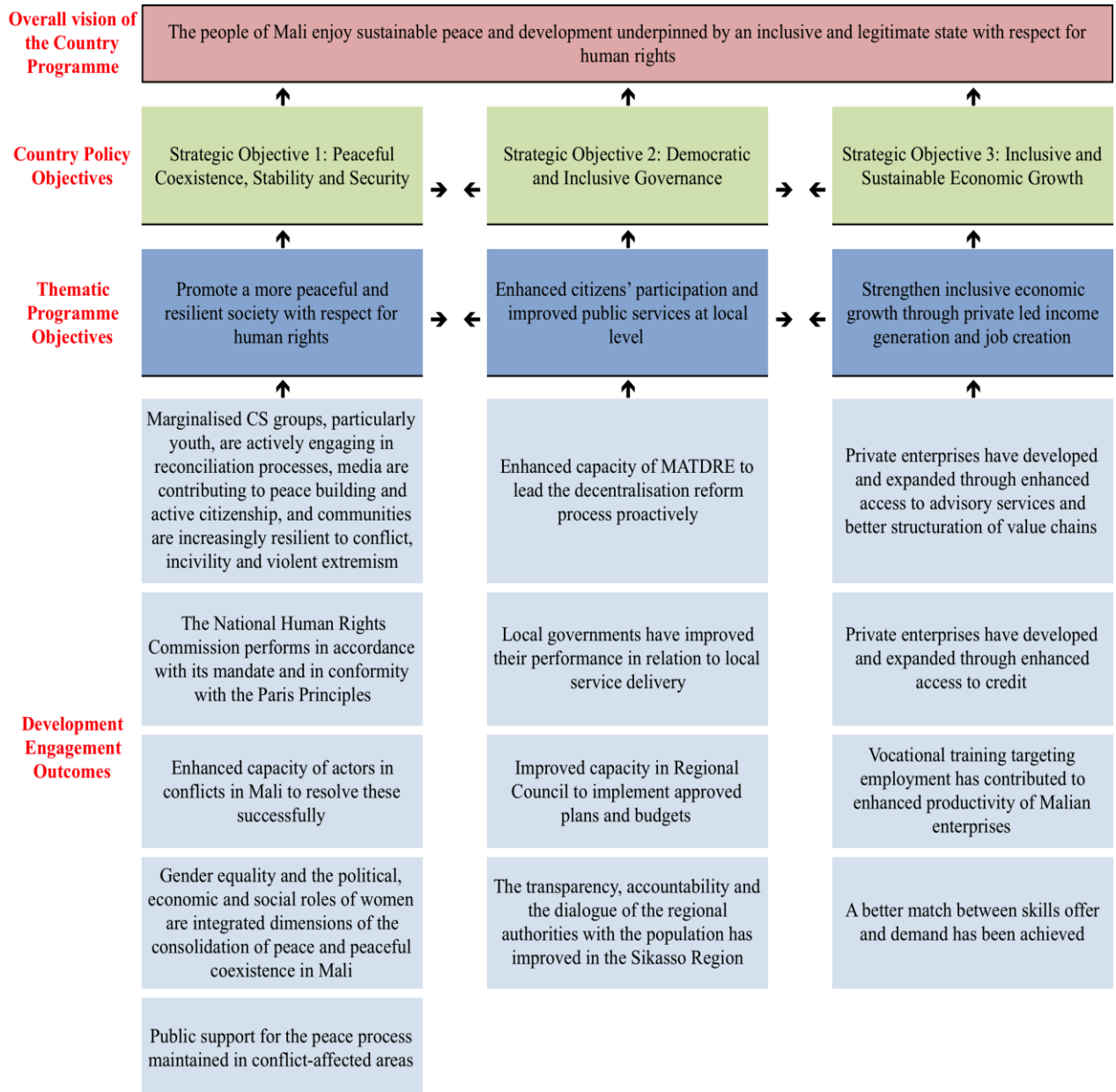
The Country Programme will contribute to achieving the three strategic objectives of the Malian-Danish partnership, set out in the Country Policy Paper, through the three thematic programmes mentioned above. The Peaceful Coexistence Programme and the Decentralisation Programme have been prepared for the Country Programme, whereas the Private Sector Development Programme is an on-going 5-year programme for 2013-2018. An extension of the programme until 2022 will be presented for approval in 2018.

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<sup>25</sup> Cadre Stratégique pour la Relance Economique et le Développement Durable du Mali 2016-2018

<sup>26</sup> Mali - Stratégie Commune d'Accompagnement Pays, SCAP II, 2016-2018

**Figure 1: Structure of the Country Programme<sup>27</sup>**



## 2.6 Contextual Risks

The Country Programme for Mali will operate in a high-risk and unstable context. Despite the Algiers Peace Accords and a substantial military presence in the conflict areas in Central and Northern Mali, the security situation is not under control. At the same time, there is growing discontent among the wider population with the general situation.

Three scenarios for the development in Mali in the short and medium term (status quo, towards stability, and increasing insecurity) were presented in the Country Policy Paper (see Annex A). While it seems unrealistic that Mali in a short and medium term perspective will move towards a substantially more stable situation, the status quo scenario still remains valid, however with a risk of the country facing both increased insecurity and instability if security threats cannot be contained and growing political and social discontent in the population are not effectively addressed by the government. If a deterioration of the present political and social situation in Mali should occur, the

<sup>27</sup> The objective and outcomes of the Inclusive and Sustainable Economic Growth Programme remain valid to the end of 2018. A new programme covering the period 2019-2022 will be formulated in 2017-2018.

programme will face the need for reorientation, which could imply a reconsideration of the support to strengthening capacity in government institutions to implement needed reforms and of support conceived in a long-term transformational view. A reorientation would imply working more extensively with the non-governmental partners in the programme and/or a shift towards assistance to address urgent immediate needs including humanitarian aid.

The Country Programme has, in addition to the assumptions associated with the overall ‘theory of change’ above, identified the following contextual risks that may affect the ability of the country programme to deliver:

**A deterioration of the security situation** in Mali and/or in neighbouring countries. This would reduce access, distract the government’s attention, and divert resources away from the implementation of the Peace Accord. Given the continued presence of de-stabilising elements in the north and centre of Mali and the limited capacity of national and international security forces, this risk is considered likely and could have a significant and direct impact on the country programme’s ability to deliver the expected results. This risk could increase if the international community’s military engagement were to decrease, limiting its ability to provide security. The risk is mitigated through the international community’s military support to MINUSMA, France’s Barkhane mission, and the on-going efforts by several donors to strengthen the capacity of Malian defence and security forces.

**An increase in the level of corruption.** This could be triggered by increasing opportunities for corruption, possibly related to the decentralisation processes. It would mean that public financial resources are not spent to their intended purposes or that the effectiveness of public spending is sub-optimal. With accelerated decentralisation reforms, it is likely that Mali will experience an increase in corruption levels as funds increasingly will be transferred to and spent at decentralised levels with weak financial management capacity and control mechanisms. If this risk occurs, it will have a significant impact on the ability to achieve the expected results. The risk is mitigated by development partners’ focus on strengthening public financial management capacities at all levels.<sup>28</sup> In the programme context, Denmark will seek to mitigate this risk through an approach that places high importance on capacity development, transparency and public participation throughout decentralised processes for planning, budgeting, implementing and evaluating publicly financed activities and an extensive use of value for money studies.

**A deterioration of the economy.** This could be the result of Mali’s continued vulnerability to external shocks and could lead to a fall in public revenue which in turn may affect the ability to finance government plans in general and the implementation of key reforms in particular. The serious drought of 2011 and the fluctuations in prices of key exports such as cotton and gold demonstrate that this risk is likely. The risk is mitigated through the recent increase in focus in national plans on the diversification of Mali’s economy and the reduction of the economy’s vulnerability to external shocks.

**An increase in the influence of extremist religious groups.** This could affect political stability and the support to national policies and plans, including for the implementation of the key reforms in the Algiers Accord. Although a secular state, religious aspects have been gaining influence on political processes and in public decision-making. The risk is being mitigated through the international community’s support to national reconciliation, education and more inclusive participation in democratic decision-making processes, including Denmark’s support to intra-religious dialogue through the Centre for Humanitarian Dialogue.

A full risk management matrix is included as Annex E.

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<sup>28</sup> The IMF, the World Bank, the African Development Bank, and the EU



## 2.7 Overall Tentative Country Programme Budget (DKK million) <sup>29</sup>

Programme Elements	2017	2018	2019	2020	2021	2022	Total
Peaceful Coexistence	31.7	55.3	54.5	53.5	51.3	47.8	294.1
Decentralisation	32.3	72.7	71.5	74.5	77.7	80.2	408.7
LGA	0.0	5.0	5.0	5.0	5.0	5.0	25,0
Programme Support	11.0	4.0	6.0	4.0	3.0	4.0	32.0
<b>Total</b>	<b>75.0</b>	<b>137.0</b>	<b>137.0</b>	<b>137.0</b>	<b>137.0</b>	<b>137.0</b>	<b>760.0</b>

## 3 PEACEFUL COEXISTENCE THEMATIC PROGRAMME

### 3.1 Strategic considerations and justification

This thematic programme will support key stakeholders and change agents in Mali's further transition into a more peaceful and resilient society. It will do so by promoting reconciliation, broad participation in society and in the implementation process of the Peace Agreement and provision of tangible benefits for the marginalized population in the north and centre of Mali. The programme will contribute towards the first and the second strategic objective of the Denmark–Mali Country Policy Paper. In the framework of the UN 2030 SDGs, the thematic programme will primarily contribute towards Goal 5 (Achieve gender equality and empower all women and girls) and Goal 16 (Promote just, peaceful and inclusive societies). It is aligned to the Malian Government's strategic framework for economic recovery and sustainable development (CREDD, 2016-2018), which aims to promote peaceful coexistence between groups and dialogue between Government and citizens to promote respect for the rule of law, democratic values and good citizenship.

The thematic programme accompanies the Danish contribution to the EU national indicative programme 2014-20, EU Common Security and Defence Policy civil mission EUCAP Sahel Mali, and the UN peacekeeping mission MINUSMA, and will underpin the implementation of the mandate of the latter.

The peaceful coexistence programme builds on previous Danish support to inter-communitarian dialogue, reconciliation, intra-religious dialogue and inclusion of women and youth in the peace process. It also builds on lessons learned from previous experience, notably the importance of creating peace dividends in zones that are at risk of being increasingly isolated and vulnerable to further conflict, particularly in the North and the centre of the country. The current programme has shown that there is a strong need for a more vibrant and independent civil society and that the role and voice of the young generations in society need to be even further strengthened.

The Malian crisis has many sources, but it is essentially linked to shortcomings in the state's and society's management of inter- and intra-communal tensions and in the failure to provide inclusive public services. Existing decision-making processes and dispute resolution mechanisms for addressing grievances and ensuring protection of human rights are failing.

Support to sustainable peace in Mali must take as its point of departure that peace does not necessarily imply the absence of conflicts. Rather, actors should be able to overcome their differences and manage conflict situations through peaceful means. Moreover, conflicts can also constitute opportunities for positive societal change e.g. in terms of more equal exercise of human rights. This means going beyond concrete grievances by also addressing underlying relational dynamics that prevent finding more sustainable solutions. It entails improving the processes through which conflicts are handled, including by promoting human rights and social inclusion norms; establishing frameworks and procedures for dialogue; ensuring proper information; while

<sup>29</sup> In the Danish Finance Bill, Decentralisation and Programme Support will figure under the account for "God Regeringsførelse" while Peaceful Coexistence will figure under the account for "Fred og Forsoning".

also drawing on existing mechanisms of conflict resolution whenever possible; and finally, by improving inclusion in decision making processes e.g. by inter-generational dialogue and inter- and intra-community dialogue at grass-root level.

A subsumed argument is that if key stakeholders and change agents are engaged in conflict resolution processes then the aim of building a foundation for a broader sense of trust and inclusion in Malian society is more likely to be achieved. Together with delivery of peace dividend in the most exposed areas of Mali it is assumed that non-violent resolution of differences and greater resilience to social tensions can be obtained. Entry points are focused on actors that are key to an inclusive and sustainable peace and recovery process: (i) non-state power holders who potentially could act as either peace ‘spoilers’ or peace makers (Algiers Peace Accord signatories, armed groups, religious leaders, women and youth) and new emerging civil society initiatives that are promising in terms of giving voice to marginalised groups, particularly youth and women.

Youth and women are critical to peace and recovery, but less able to exercise their rights. This has been a key consideration behind the choice of UN-Women as a partner and the design of the Fund for Drivers of Change (*Fonds d’Appui aux Moteurs du Changement* (FAMOC)). The latter engagement focuses almost exclusively on youth and within this target group at least 50% women and girls.

Engaging at these two levels can contribute to effective peace building and reconciliation processes by taking into account powerful actors that are important to the peace process, while at the same time creating space for marginalised groups i.e. youth and women to act as positive agents of change, building their resilience against destabilising threats such as radicalisation and violent extremism, and empowering them to constructively participate in public affairs. In relation to the FAMOC engagement, the embassy will establish a sounding board consisting of youth representatives to secure that the needs and views of youth are properly reflected in the strategic planning of the fund.

The approach is likely to generate a broader sense of trust and inclusion in Malian society, resulting in resolution of disputes and differences in a peaceful manner and thereby contributing to peaceful coexistence.

The programme is based on a human rights based approach particularly through its focus on the empowerment and participation of communities and social groups that are usually excluded from the peace process, public affairs, and economic opportunities (women, youth, conflict-affected communities). Supporting their ability to hold government to account is central in the programme.

The programme is fully aligned to national priorities (notably the 2015 Peace Accord and the CREDD) (*relevance*). It uses already existing programmes and projects with a proven track record (MINUSMA, the UN Women country programme and the CHD Mali programme) thus aiming at *efficiency and effectiveness*. The only new structure to be set up is the FAMOC. This is justified by the need to reach emerging civil society actors mobilising principally youth and women, as it is not considered to be possible to reach these through existing institutions or organisations. As an important part of the activities aim at an immediate impact so not to lose the opportunities created by the 2015 Peace Accord, *sustainability* is more of a challenge: conflicts resolved may backtrack, infrastructures constructed in conflict areas may not always be used or maintained, etc. However, MINUSMA is in its project screening and preparation process stressing the operational management issues, the projects are anchored at community-level, and sustainability is part of the project selection criteria. Local actors are often able to continue functioning, even when the area is no longer under central government control (this is also the case for many Local Governments), hence ensuring continuity.

### **3.2 Theory of change**

The thematic programme will work towards improving gender equality and the political, social and economic roles of women, as well as enhancing the capacity of citizens and communities to resolve conflicts peacefully. Further, the thematic programme will directly involve youth, media and marginalised groups in reconciliation processes. These interventions are expected to lead to

broader trust and better inclusion and social cohesion, contributing to peaceful coexistence and more respect for human rights.

The theory of change is based on the following main assumptions:

- In the complex and multi-level conflictual context of Mali with frequent setbacks and slow progress, empowered actors will actively engage in peace building and reconciliation, thus contributing towards increased stability and implementation of the Algeria Peace Accord. Such engagement will depend on a number of factors, including: relational dynamics being properly addressed, alliances and allegiances being recognised, neutral spaces of dialogue being provided to conflicting parties by credible actors, and marginalised groups being sufficiently included, the stakes and character of organised crime in the communities is taken into consideration (avoiding its perpetrators and not feeding into it), and not least that there is considerable international support, presence, and financing
- The beneficiaries of MINUSMA peace dividend projects will associate the benefits with the peace process and enhanced legitimacy of local authorities, thus perceiving that the projects contribute to more trust and social cohesion in society, when the selection of projects, beneficiaries and legitimate local leaders and institutions is prepared carefully and in a participatory manner, and when community governance structures are supported
- Government and state institutions, also at regional and local level, remain committed to the peace and reconciliation processes, and are able and willing to dispense a more participative and inclusive governance, when the duty bearers and elected representatives are better informed, trained and sufficiently capacitated. Similarly, marginalised groups of rights holders will be better able to hold duty bearers accountable, when properly informed, organised and provided with training and funding opportunities. However, even if this assumption does not hold, the thematic programme would still be able to deliver results: Informed and capacitated non-state actors will be willing to engage, actively and constructively, in peace and reconciliation processes.

### 3.3 Thematic Programme Summary

#### *Short Summary of Development Engagements*

Four complementary development engagements are envisaged.

**“FAMOC” - the first development engagement** aims at fostering a synergy between civil society actors with the highest potential as catalysts for change in terms of human rights, leadership, and peace media, so that youth can participate in public affairs and constructively so. Many citizens, not least among youth, are currently excluded from decision-making spheres and do not have the opportunity to claim their rights. This often results in a feeling of alienation from the state and its institutions. This engagement will support innovative initiatives preferably undertaken by young people themselves, that (i) empower young people with knowledge of their rights and how to exercise them; and (ii) engage them in public affairs and decision making, especially at the commune level. Support to media organisations (especially local radios) aims at enhancing access to reliable, impartial information, including from action-research on the obstacles to peaceful coexistence and strategies to prevent phenomena such as radicalisation and violent extremism. In addition, the engagement will support the independent Malian Commission for Human Rights in a partnership with the Danish Institute for Human Rights.

**“CHD” - the second development engagement** will support the Centre for Humanitarian Dialogue (CHD) in ensuring safe and effective venues for dialogue, in order to boost the capacity of key stakeholders (change agents and potential spoilers alike) to manage conflicts peacefully, at the level of the overall peace process as well as at community level. The engagement will seek to engage positively a number of actors in Mali e.g. religious leaders, armed groups etc. who have acquired key positions of influence with the possibility to act as spoilers threatening the peace and reconciliation process. Denmark’s previous support to mediation efforts between different groups involved in conflicts in Northern Mali as well as pilot support to intra-religious dialogue has

highlighted the relevance of creating opportunities for key conflicting parties to interact in a safe neutral location where a facilitator can lead them through dialogue and negotiations, and thereby help building bridges between conflicting parties.

**“UN Women” - the third development engagement** will help ensure that the gender dimension and the role of women are considered in the peace building and reconciliation process, through support to the UN Women country programme for Mali. UN Women’s Programme includes strategically important support to the Malian National Action Plan for implementation of the UN Security Council Resolution 1325 on women’s role in peace and conflict and to the Ministry in which it is anchored. Women’s rights and gender are an acute concern in Mali, as many women like youth have been hit harder by the crisis because they are unable to claim their rights when they are violated, including due to the fact that the law does not provide sufficient protection for this group e.g. as regards gender based violence. In addition, there is a weak recognition of women’s different roles in society as well as conflict, which should be taken further into account in peace building and reconciliation processes. UN Women has a track record of supporting Resolution 1325. Furthermore, likeminded donors (Sweden and Netherlands) have expressed their interest in co-funding.

**“MINUSMA” - the fourth development engagement** supports MINUSMA with the goal of building and maintaining public support for the peace process in the North and Centre. The challenging political and security situation and the limited implementation of the peace agreement are hampering the re-deployment of government structures and thereby their ability to take charge and rebuild trust. Continued limited access to basic services leads to the population’s questioning of the promises made by their leaders in return for peace, and to increased vulnerability to the draw of armed groups, with promises of revenues and the threat of terror. Through this engagement, MINUSMA, in collaboration with local governments as relevant, will implement small-to-medium scale community-driven quick impact Peace Dividend Projects that meet the priority needs of the population in the North and Centre and can contribute positively towards maintaining or increasing the support for peace. The envisaged Peace Dividend projects situate themselves on the border between humanitarian and development aid. Within the fund, the priorities can shift according to the situation on the ground.

The four engagements are complementary to each other and to the other Danish thematic programmes, the Sahel regional programme, and Danish contributions to MINUSMA as part of a comprehensive response to instability:

- Complementarity with the Private sector programme: Complementary to engaging youth in leadership training and dialogue with the private sector programmes will increasingly throughout the period target other grievances of the youth, e.g. with Technical and Vocational Education and Training, entrepreneurship skills, access to credit, networks and markets.
- Complementarity with the Decentralisation programme, which aims at strengthening local government performance, transparency and accountability, and therefore state legitimacy. The Peaceful Coexistence programme has a different but complementary logic: it is about working with civil society and local communities in a demand-driven way and as relevant with the involvement of local government not to undermine state legitimacy. Moreover, it aims to support youth and women participation, specifically, in these local governance processes.
- Complementarity with the Sahel Programme, which supports i.a. the democratic control of security services and the peaceful management of cross-border conflicts between Mali, Niger, and Burkina Faso: the Peaceful Coexistence programme supports neither, but the potential for synergies is there and will be explored during the formulation of the next phase of the Sahel Programme. The democratic control of security services and their effectiveness are critical to restore state-society relations and limit violent mobilisation, both central themes in the Peaceful Coexistence programme.

- The Danish contribution to MINUSMA Quick Impact Projects complements military and civil staff contributions to support MINUSMA’s mandate of stabilisation, implementation of the transitional road map, support to electoral processes, and protection of civilians: it can help steer the MINUSMA “peace dividend” engagement to maximize impact and manage risks.

Other international partners also support peaceful coexistence, including the EU, France, Germany, the Netherlands, Norway, Switzerland, the UK, USA, MINUSMA/UN Peace building Fund, and UN agencies. Synergies and complementarities are identified in informal exchanges and formal meetings bringing together development partners.

### ***Thematic programme objective, outcomes and impacts indicators***

<b>Thematic programme objective</b>		Promote a more peaceful and resilient society with respect for human rights
<b>Thematic programme objective indicator</b>		a) % of population in the North who fear being affected by armed conflict b) % of population in the South who fear being affected by armed conflict c) % of population in the North (excluding Kidal) who experiences tensions between different groups in their locality.  Level and type of conflicts ( <i>Enquête Modulaire et Permanente auprès des Ménages-EMOP</i> )
Baseline	2016	The 2015 Enquête Modulaire et Permanente auprès des Ménages-EMOP showed : a) 76% of the population in the North (excluding Kidal) report fear of being affected by armed conflict (p. 12) b) 39% of the population in the South report fear of being affected by armed conflict (p. 12) c) 33.6% of survey participants in the North indicate that they experience tensions or violence between different communities in their locality (p. 18)
Target	2022	a) XX % of the population in the North (excluding Kidal) report fear of being affected by armed conflict b) YY% of the population in the South report fear of being affected by armed conflict c) ZZ% of survey participants in the North indicate they experience tensions or violence between different communities in their locality
<b>Engagement 1</b>		<b>Fonds d’Appui aux Moteurs du Changement (FAMOC)</b>
<b>Outcome 1</b>		Marginalised CS groups, particularly youth, are actively engaging in reconciliation processes, media are contributing to peace building and active citizenship, and communities are increasingly resilient to conflict, incivility and violent extremism.
<b>Outcome indicator</b>		<ul style="list-style-type: none"> <li>• Number of young people involved in decision-making processes in beneficiary communities</li> <li>• Number of media outlets strengthened hereby contributing to the promotion of inclusive governance, active citizenship and the fight against violent extremism</li> <li>• Number of young people who have carried out their legal rights (formal, transitional or traditional) due to FAMOC.</li> </ul>
Baseline	2016	<ul style="list-style-type: none"> <li>• 0 young people involved in decision-making processes in beneficiary communities</li> <li>• 0 media outlets strengthened in the promotion of inclusive governance, active citizenship and the fight against violent extremism</li> <li>• 0 young people have used their legal rights (formal, transitional or traditional) due to FAMOC</li> </ul>
Target	2022	<ul style="list-style-type: none"> <li>• 20,000 young people involved in the decision-making process of beneficiary communities</li> <li>• 30 media outlets strengthened in the promotion of inclusive governance, active citizenship and the fight against violent extremism</li> <li>• 20,000 young people have been provided the opportunity to claim their</li> </ul>

		legal rights through the formal, transitional or traditional court system, including 10,000 women and girls.
<b>Outcome 2</b>		The National Human Rights Commission performs in accordance with its mandate and in conformity with the Paris Principles.
<b>Outcome indicator</b>		Accreditation by the International Coordinating Committee (ICC) for conforming with the Paris Principles
Baseline	2016	The National Human Rights Commission is currently not accredited by the ICC
Target	2022	The National Human Rights Commission accredited by the ICC for conforming with the Paris Principles
<b>Engagement 2</b>		<b>Centre for Humanitarian Dialogue (CHD)</b>
<b>Outcome</b>		Enhanced capacity of actors in conflicts in Mali to resolve these successfully.
<b>Outcome indicator</b>		<ul style="list-style-type: none"> <li>• Number of spaces for dialogue facilitated by CHD</li> <li>• Number of conventions or declarations signed by communities in conflict</li> </ul>
Baseline	2016	<ul style="list-style-type: none"> <li>• 2 spaces of dialogue venues facilitated by CHD</li> <li>• 2 convention or declaration signed by communities in conflict</li> </ul>
Target	2022	<ul style="list-style-type: none"> <li>• 13 spaces of dialogue facilitated by CHD</li> <li>• 12 conventions or declarations signed by communities in conflict</li> <li>• 1 inter-/intracommunity conflict resolved</li> <li>• 9 networks established</li> <li>• 10 radio messages broadcasted</li> </ul>
<b>Engagement 3</b>		<b>UN WOMEN</b>
<b>Outcome</b>		Gender equality and the political, economic and social roles of women are integrated dimensions of the consolidation of peace and peaceful coexistence in Mali
<b>Outcome indicator</b>		% of women participating in reconciliation and peacebuilding activities officially recognised by the Malian Reconciliation Commission.
Baseline	2016	5% - (2015) Source: Rapport de Commission de Réconciliation
Target	2022	40% - Source: Rapport de Commission de Réconciliation
<b>Engagement 4</b>		<b>United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)</b>
<b>Outcome</b>		Public support for the Peace Process maintained in conflict-affected areas
<b>Outcome indicator</b>		Public confidence in the peace process in target conflict areas (measured by <i>Enquête Modulaire et Permanente auprès des Ménages EMOP</i> )
Baseline	2016	To be determined
Target	2022	To be determined

### ***Choice of Partners***

Engagement 1 (FAMOC) will be managed by a Fund Manager that will be contracted through an EU tender process. The Fund Manager will conduct calls for proposals by civil society actors. In parallel, the Fund Manager will administer support for a number of partners, pre-identified on the basis of (i) their track record or proven potential of high and sustainable impact; (ii) their strong local roots (commune level); (iii) their potential multiplier effect (e.g. training of trainers; network of focal points at the local level); and (iv) their potential for synergies across them (re identification report, January 2016). These partners are *Association des Jeunes pour la Citoyenneté Active et la Démocratie* (AJCAD), born from a collaboration with Oxfam on youth engagement; *Centre d'Assistance et de Promotion de Droits Humains* (CAPDH), led by youth and supported by France to engage youth; Think Peace, a Malian think tank that brings standards of excellence in research action geared towards the prevention of extremism and violent mobilisation; *Studio Tamani*, a Malian initiative incubated by *Fondation Hironnelle* with an excellent track record in media for peace; and the *Commission Nationale des Droits de l'Homme*, the independent national Human Rights institution, which will in parallel receive technical assistance from the Danish Institute for Human Rights. Other FAMOC partners will be selected on the basis of the same criteria.

Engagement 2 supports the Centre for Humanitarian Dialogue (CHD) for activities defined jointly by Denmark and CHD. CHD is a Swiss-based private organisation founded on the principles of humanity, impartiality and independence, which support peaceful settlement of conflicts around the world. The organisation is currently involved in more than 40 dialogue and mediation initiatives in over 25 countries. Denmark has been working with CHD in Mali since 2012 related to the Algiers Peace Accord and inter-communitarian dialogue. The work CHD does is highly specialised and based on established relations with the parties in the conflict and cannot be subject to tender.

Engagement 3 supports UN Women's country programme for Mali. UN Women has been implementing programmes aiming at creating an enabling environment for the promotion of gender equality in Mali since 2009, with tangible achievements in peace and security; economic empowerment; and violence against women; and an investment in important analytical work on gender and conflict in Mali. UN Women works in equal measure with Government (central and local) and with civil society.

Engagement 4 contributes to a Stabilisation and Recovery Trust Fund managed by the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). MINUSMA has access to conflict affected zones, especially in the North; has an implementation capacity that few actors have; has a local presence through (notably) local liaison officers, peacekeepers, and a first generation of quick impact projects; and can easily scale up or change the geographic focus of the envisaged "peace dividend" projects. The Mission has full delegation of authority for the financial management of the Trust Fund, which should aid flexibility and seizing of opportunities for stabilization and peace building.

In terms of donor partners, the Embassy will pursue regular participation in key fora concerned with peace and reconciliation at both policy- as well as the more practical implementation level. The aim will be to stay informed about key developments in the larger policy context as well as in the more immediate implementation context. This may include participation in the MINUSMA-led ad-hoc working group concerned with the reconstruction of the north<sup>30</sup> as well as the more permanent thematic working group concerned with democracy and civil society.

### ***Management Arrangements and Financial Modalities***

Each partner will be responsible for the implementation, monitoring of, and reporting on their own engagement. The Embassy will carry out overall monitoring, using partners' reporting and other information to steer the overall thematic programme, and engage national stakeholders in policy dialogue as required. To this effect, the Embassy will convene thematic programme partners every six months: to revisit the overall theory of change, to learn from each other, and to make both strategic and operational adjustments as needed.

The FAMOC fund manager will manage the fund according to the terms of reference and the conditions established in the fund management contract concluded between the Embassy and the selected international company. It is inferred that the fund manager establishes an office in Bamako, appropriately staffed and equipped in accordance with the terms of reference. The Embassy will transfer funds to the international company twice a year.

Being an international NGO, the management of the CHD engagement will be done directly by the CHD office in Mali, with involvement of CHD HQ in Geneva on a needs basis. The Embassy will transfer funds twice a year to the CHD HQ in Geneva, which will in turn transfer funds twice a year to the CHD-Mali bank account. Danish funds will be accounted for separately at both levels.

As regards the engagements with UN Women and the MINUSMA Trust Fund, the standard convention for contributions to the UN will be used. This implies that the management of the engagement will adhere to UN standards for programme execution with due regard to the specific circumstances of UN Women and MINUSMA. Funds will be transferred twice a year to the

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<sup>30</sup> Commission for Rehabilitation in Post-conflict Zones

respective UN HQ special bank accounts. Subsequently, funds will be transferred onwards to the respective bank accounts of UN Women Mali and MINUSMA upon requests.

The engagements partners' financial statements will be audited annually by an internationally recognised audit firm and submitted to the Embassy. Audits of the engagements with UN Women and MINUSMA will follow UN standards.

Whereas the outcomes, results and budgets for the four engagements cover the entire programme period, the bilateral agreements are limited to the period mid-2017 to end of 2019. The mid-term review of the Country Programme will provide recommendations on a possible extension of the engagements based mainly on an assessment of the partners' performance in implementing the engagements and of the evolution of the overall national context and risks.

### ***Budget at Partner Level***

The table below shows the indicative disbursement budget for the thematic programme at partner level.

Peaceful Coexistence		2017	2018	2019	2020	2021	2022	Total
<b>1</b>	<b>Total Budget</b>	<b>31.7</b>	<b>55.3</b>	<b>54.5</b>	<b>53.5</b>	<b>51.3</b>	<b>47.8</b>	<b>294.1</b>
1.1	FAMOC	13.00	18.00	18.00	18.00	18.00	12.00	97.00
	<i>Funds for projects</i>	<i>5.00</i>	<i>16.00</i>	<i>16.00</i>	<i>16.00</i>	<i>16.00</i>	<i>10.00</i>	79.00
	<i>Contract - Fund Manager</i>	<i>8.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	18.00
1.2	CHD	7.70	11.50	9.90	8.60	8.00	7.00	52.70
1.3	UNWOMEN	6.00	10.00	10.00	10.00	10.00	10.00	56.00
1.4	MINUSMA	5.00	10.00	10.00	10.00	10.00	10.00	55.00
1.5	Unallocated	0.00	5.80	6.60	6.90	5.30	8.80	33.40

The unallocated funds can be used for additional funding for the four engagements depending on the evolution in the overall context and performance of the individual engagements. In case the security and political situation in the North and Centre of Mali permits a direct intervention, the MINUSMA engagement budget may be redirected/reallocated to support the decentralisation process in Mopti or Gao under the Thematic Programme 2. Due to the politically and institutionally volatile situation, unallocated funds may also be used for a limited number of new engagements to support stabilisation and peace.

### ***Monitoring***

As part of the country programme, an international M&E team<sup>31</sup> will assist the partners in refining and updating the indicators; and ensure that partners have access to technical support in refining their results- and risk management frameworks and in developing and quality assuring their progress reports.

Real-Time Evaluation will be used in terms of documenting progress towards outcomes as well as other positive and possible negative, unintended impacts.

A mid-term review will assess the performance of engagements and recommend possible extensions based on considerations to the overall development in scenarios, effectiveness of the programme and the partners performance. Based on the information generated through the standard M&E mechanisms, including RTE, and consultations with implementing partners, the Embassy will assess the need for fielding technical reviews ahead of the mid-term review.

With the exception of the FAMOC fund the engagement partners have established monitoring systems, which will to the extent possible be used to monitor the engagements.

<sup>31</sup> Reference is made to Annex G – ToR for M&E Technical Assistance



The FAMOC fund manager will establish a monitoring system according to the terms of reference and the conditions of the contract to be concluded with the Embassy. The M&E team will be at hand to facilitate monitoring according to the results framework. Narrative and financial reporting will be done bi-annually.

CHD uses a comprehensive M&E methodology including quality control and Value for Money in the 26 countries where it operates. The results framework will be the basis for the CHD's engagement monitoring. Progress and financial reporting will be bi-annual.

MINUSMA operational procedures prescribe monitoring and evaluation plans for each project included at least two on-site inspections per project in connection with contract payments. The inclusion of a results framework with objectives and indicators is a key requirement for each project proposal. Narrative and financial reporting will be done bi-annually as in the past.

A performance monitoring framework will be developed by UN Women and the implementing partners to measure progress towards the planned results. Progress and financial reporting will be bi-annual.

### ***Main risks factors and risk responses<sup>32</sup>***

<b>Risk</b>	<b>Risk response</b>
Peace agreement derailed by "outside spoilers" that have not been represented in the negotiations or with an agenda that is not favouring the peace process	The Humanitarian Dialogue Engagement includes key players at community level. There is a particular activity on engaging religious leaders to prevent further radicalisation. Also the MINUSMA quick impact projects aims at reducing the room for "spoilers".
MINUSMA projects that have been approved cannot be implemented due to a deterioration of the security situation.	Should the security situation deteriorate in locations where projects have been approved, an analysis is to be made on the likelihood of that situation improving rapidly. If it is expected that the situation will not improve within one month, the impacted projects will be put on hold and other projects will be tabled for approval.
A security degradation leading to inability to operate in conflict prone areas.	CHD will deploy local agents on the ground to maintain a capacity to analyse situations on the ground and to mobilise communities.
Continued insufficient political backing for promoting women's participation in public affairs.	Political dialogue and lobbying with political and traditional leaders to promote enhancement of women's rights and of gender equality including the implementation of the R 1325 national action plan.
Denmark's reputation may suffer in the event that the reconciliation and transitional justice process loses legitimacy in the opinion of the Malian population. This may be triggered by one or several of the events identified under programmatic risks, including indirect political pressure or direct political intervention in the process.	Denmark is sharing this risk with other donors as well as with the Government.

<sup>32</sup> Please refer to Annex E for the full risk management matrix. Only risks with a major combined residual risk have been included in the above table.

## 4 DECENTRALISATION THEMATIC PROGRAMME

### 4.1 Strategic Considerations and Justification

This thematic programme will support the implementation of the national decentralisation policy and strategy, including the promotion of good governance practices at local levels, so that local governments govern in accordance with the population's priorities, with a focus on service delivery. By promoting participation, transparency and a better distribution of the financial resources in the territory, the programme is supporting the inclusion of hitherto marginalised groups, and by providing increased funding for local governments, it will improve the populations' access to public services. The programme supports the first and the second strategic objective of the Denmark-Mali Country Policy. In the framework of the UN 2030 SDGs, the thematic programme will primarily contribute towards Goal 16 (Promote just, peaceful and inclusive societies). The thematic programme contributes to the first and fourth strategic priorities of the Danida strategy, "World 2030": (i) *Security and development* – Peace, stability and protection, and (ii) *Freedom and development* - democracy, human rights and equity.

Denmark will join several other donors also supporting Mali's decentralisation reforms, among these Switzerland (which is also actively supporting the Sikasso Regional Council), Germany, France, Netherlands, Belgium and Luxembourg<sup>33</sup>.

Denmark has not hitherto supported the decentralisation reform in Mali as such, although local governments at both communal and regional level have had various roles to play in earlier programmes. The experience is mixed. It ranges from insufficient decision-making and implementation capacity at communal level, especially in rural areas, to some technical capacity being available at regional level, although with wide variations between regions. Over the recent years, development efforts at these levels of the government structure have required substantial inputs of technical assistance. These findings are in line with the general lessons learnt from the decentralisation efforts in Mali so far, i.e. that previous governments have not fully implemented the intentions of the policies and legislation regarding decentralisation of decision-making power and financial resources. The decision to support the decentralisation reform at this point in time is primarily due to the signing of the Algiers Peace Accord, which is expected to provide an effective impetus to implementing genuine decentralisation and a specific request, expressed by the Malian Government during the High-Level Policy Consultation in June 2015, to support the implementation of decentralisation reforms.

Economic inequalities, political exclusion and the lack of transparency and accountability have fuelled the conflict and the frustrations and have led to distrust in the state. Although the formal system in principle enables greater involvement of citizens in their own governance, the incentives to participate at sub-national levels have not yet materialised. Furthermore, without information on performance, outputs, and motivations, it has been difficult for Malians to hold their governments accountable. Mali is characterized by a low level of participation in the democratic processes (especially by youth and women) and endemic corruption, which means that public funds do not reach the average citizen thus leading to an erosion of trust in the government. The Peace Accord holds the promise of transferring a larger share of public funds to decentralised levels. The budget proposed for 2017 indicates that the Government is committed to deliver on this promise, which means that the envisaged Danish financing of local development plans should be able to deliver concrete benefits for the population even if there should be little progress in the overall reform processes.

By working at both the national level and in one of the poorest regions to increase participation, transparency, accountability, and responsive governance, the thematic programme will contribute towards developing a model for the rest of the country on how to reduce corruption, insecurity, and slowly, but steadily, improve government performance and the legitimacy of the state. If the

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<sup>33</sup> Decentralisation, "déconcentration" and institutional reforms have been identified as a key sector in the EU Joint Programming document for Mali for the period 2014-18 and are likely to stay a priority in the years to come.

security situation improves in Mopti and/or Gao, Denmark will consider the option of gradually phasing out the use of MINUSMA as a vehicle for delivering benefits to the population along with a gradual phasing in of support to the regional council of either Mopti or Gao.

A subsumed argument is that having substantial resources managed well at sub-national levels could be a major contribution to stability and peace in Mali. Decentralisation has to be seen both as a governance reform making democracy more inclusive and relevant to the population and as an approach to improving the quantity and quality of public service delivery to the population, including hitherto excluded segments. Both of these outcomes are essential in the present Malian context of political-, social-, and economic fragility. As the Peace Accord and the future peace and stability of Mali depend (amongst other factors) on the successful implementation of decentralisation reforms, the significant risks associated with the present programme are considered fully justified.

## 4.2 Theory of Change

The programme will enhance the capacity of the Ministry of Decentralisation to lead the decentralisation process proactively, and it will improve performance and capacity of service delivery by local governments. Better citizens' control and enhanced participation of the local population in public decision making is expected to lead to a more effective social contract between the population and national and local authorities, as well as to better and more relevant services.

While the legal and regulative framework of the decentralisation reform is basically in place by now, including a new decentralisation policy emphasising the regional level and its pivotal role in furthering economic development, there are critical elements that remain *assumptions* for the Thematic Programme, including:

- As the decentralisation reforms progress as stipulated in the 2015 Peace Accord, the central government demonstrates political resolve and allocates sufficient funding in a transparent and efficient manner to local government, when supported by donors with technical assistance and additional funding (through FNACT and ANICT).
- Local governments demonstrate political commitment and ability to manage this responsibility through a more participative and inclusive governance, when the duty bearers and elected representative are better informed, trained and sufficiently capacitated, and provided that decentralisation is not captured by local vested interest, leading to increased inefficiency and corruption.
- Decentralisation of resources will improve the staffing situation of local governments, in particular the rural communes, in qualitative and quantitative terms, when effective and viable local government services are gradually established, and when provided with resources and technical support for improved planning, budgeting, decision-making and implementation.
- The role of the newly created regional development agencies (*Agences de Développement Régional – ADR*) is clarified and the new institutional set-up at regional level (including the Sector Ministries' regional technical support units) is effectively established, and when the new multi-annual contracts are established between the central and individual regional governments (*Contrats-Plan État-Région – CPER*).
- The upcoming regional elections as well as the planned national assembly and presidential elections in 2018 will proceed successfully and the outcome will be accepted and perceived as fair. This hinges on a number of factors: Mali's system of political parties (with a high degree of clientelism) are seen as a stabilising factor, while the political elite also carry an entrenched risk of instability, given the evaporating confidence in political leaders, in particular among the younger generation.

In favour of the process of decentralisation is the central role it has been given both in general by the Government and in particular in the Algiers Peace Accord. It has been identified as the main way out of the present social, cultural and economic crisis, while maintaining national unity. The

philosophy behind the Peace Accord is that with the present tensions and conflicts, giving the territories increased autonomy to manage their own affairs, the unity of the country can be preserved.

### 4.3 Thematic Programme Summary

#### *Short Summary of the Development Engagements*

The programme consists of three development engagements:

#### **1. Support to the Ministry in charge of the decentralisation reform (Ministère de l'Administration Territoriale, de la Décentralisation et de la Reforme de l'Etat – MATDRE)**

One part of this support aims at increasing the capacity of the Ministry so it is able to assume its leading role in policy development, analyses, monitoring and oversight needed for taking the decentralisation reforms forward. This part of the engagement implies some financial support to the Ministry for carrying out several of these basic tasks, including the funding of necessary studies, and technical assistance in the form of a long-term international advisor. The advisor will be located at the Secretary General level but will work closely with the General Direction of Local Governments.

The other part of the support is the contribution of financial resources to help finance the implementation of local government development plans, prepared through decentralised planning processes and approved through inclusive, democratic procedures as envisioned by the decentralisation policy. This support will be channelled through the National Fund for Support to Local Governments, FNACT<sup>34</sup> and it will be managed by the National Agency for Local Government Investments, ANICT<sup>35</sup>. This support will be un-earmarked so it can be distributed to all three local government levels based on the distribution criteria currently applied by ANICT. These take into account population size, remoteness, poverty level, as well as governance-related parameters, including the extent to which the local governments succeed in mobilising internal revenues. By far the largest part of ANICT's resources is normally disbursed into the investment budgets of the local governments, while minor shares are for the recurrent budget and for capacity development, respectively.

A key tool to monitor whether the financing provided for the implementation of local government plans through the FNACT delivers the expected results, will be annual Value for Money Audits (VfM)<sup>36</sup>. The MATDRE, as the parent ministry of the FNACT and the principal coordinator of the reform process, will be the main user of VfM audit findings and should closely monitor the implementation of associated recommendations.

#### **2. Support to the Regional Council in Sikasso**

The aim of the support is to strengthen the capacity of the Regional Council in Sikasso in successfully leading the Regional Economic Development (DER) process in a transparent and participative way.

One part of the support aims at strengthening the capacity of the Regional Council through support to planning, coordination, monitoring and communication as well as support to the formulation of an Institutional Development Plan for the regional council in close consultation with the Swiss Development Cooperation who have indicated a readiness to base their future support to Sikasso, including TA, on such a plan.

The support provided through the engagement is partly financial, partly technical assistance. The technical assistance will be provided through a contract with an international consultant firm, which will provide both a long-term adviser placed in Sikasso and a pool of – mainly national –

<sup>34</sup> Fonds National d'Appui aux Collectivités Territoriales

<sup>35</sup> Agence Nationale d'Investissement des Collectivités Locales

<sup>36</sup> The VfM studies will also comprise investments made under the support to the Regional Council in Sikasso.

short-term advisers, who can be called upon according to the identified needs. The advisor will be located at the Secretary General Level, but will work closely with all departments, including the Technical Services.

The other part of the support will be financial contributions to the investments according to the plan for DER, which has been elaborated in consultations with the local governments agglomerated in three “Development Poles” (Sikasso, Bougouni and Koutiala). These investments will mainly target public or collective infrastructures that aim at promoting economic development (e.g. rural roads and bridges, marketplaces, abattoirs etc.).

The direct involvement in Sikasso is expected to yield insights and experience that can be fed back to the MATDRE for use in other regions, including with possible Danish support in Mopti or Gao, if the security situation allows, and in relation to the management of the general reform efforts. The monitoring set-up and the envisaged Real-Time Evaluation will be important tools in continuously assessing the approach and strategies applied against the OECD/DAC evaluation criteria.

### 3. Support to the Civil Society Network for Budget Monitoring - Groupe de Suivi Budgétaire (GSB)

GSB is an umbrella network for a number of national and local NGOs working to keep the national and local governments to account in the management of public funds. The Embassy has for some years supported the GSB at the national level with good results. On-going activities in Sikasso indicate that GSB’s work with both civil society and local governments has helped strengthen the link between the citizens and the government. Past interventions have been designed to strengthen either the demand or supply of transparency and accountability, meaning that they have targeted either civil society or the state, but rarely both at the same time. A growing body of evidence suggests that a sustainable and scalable transformation require building bridges between the state and civil society drivers of change, including most notably youth as a stakeholder that through their participation in and ownership of the change process will determine its outcome.

Under the new programme the support is mainly aimed at strengthening the work at local government levels (region, *cerle* and commune). The support will be concentrated mainly in Sikasso, where local groups that are members of GSB will carry out the activities. The local governments targeted are the Regional Council, the 7 *cerles* that make up Sikasso and 4 larger communes. The activities will include training of key members of GSB at central and Sikasso level, training of elected members of the local governments and local government staff, and training of civil society representatives. Subjects will differ depending on the target group, but will in general include the principles of transparency and budgetary follow-up, promotion of dialogue forums for the budgetary process and communication. During the design and implementation of these activities, special efforts will be made to identify and include youth groups and youth representatives, including possible links with the empowerment efforts implemented under the peaceful coexistence programme and the advocacy activities relating to youth under the private sector support programme.

*Thematic programme objective, outcomes and impacts indicators*

<b>Thematic programme objective</b>		Enhanced citizens’ participation and improved public services at local level.
<b>Thematic programme objective indicator</b>		1. The population’s satisfaction with local Governance <sup>37</sup> 2. Mali’s score in public participation in the Open Budget Index, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in the budget processes <sup>38</sup>
Baseline	2015	1. Balance of -46 % (73 % are either very or mainly not satisfied with the

<sup>37</sup> Indicator to be taken from the annual « Enquête Modulaire auprès des ménages » (EMOP), Governance module. This study is carried out annually by the national statistical institute (*l’Institut national de la statistique*, INSTAT).

<sup>38</sup> See ([www.openbudgetsurvey.org](http://www.openbudgetsurvey.org))

		delivery of services at commune level, 27 % answer “good” or “very good”) 2. Mali scored 4 out of 100 in the Public Participation category in the 2015 Open Budget Survey.
Target	2022	1. To be defined 2. 25 of 100 (corresponding to the global average)
<b>Outcome 1 (MATDRE)</b>		Enhanced capacity of MATDRE to lead the decentralisation reform process proactively
Outcome indicators		a) % of public resources managed by local governments (national indicator and targets set out in the Peace Accord) b) Annual MATDRE state of progress report for the reform process publicised c) FNACT budget execution rate in % (indicating capacity to implement increased budget in accordance with procedures at decentralised levels d) % of FNACT/ANICT executed budget associated with irregularities in annual audit reports and value for money studies
Baseline	2015	a) 9 % b) 0 c) To be defined d) To be defined
Target	2022	a) 30 % b) 1 per year c) 70% d) To be defined
<b>Outcome 2 (MATDRE)</b>		Local governments have improved their performance in relation to local service delivery
Outcome indicator		a) Number of approved FNACT projects annually; b) Satisfactory quality of realised projects, using VfM studies
Baseline	2016	To be defined after the first VfM study
Target	2022	To be defined after the first VfM study
<b>Outcome (Sikasso Regional Council)</b>		Improved capacity in Regional Council to implement approved plans and budgets
Outcome indicators		1. Execution rate in% of budget transferred to RC Sikasso 2. % of executed budget associated with irregularities in annual audit reports and value for money studies
Baseline	2016	- To be defined
Target	2022	- To be defined
<b>Outcome (Groupe de Suivi Budgétaire)</b>		The transparency, accountability and the dialogue of the regional authorities with the population has improved in the Sikasso Region
Outcome indicator		% of the local administrative entities targeted in Sikasso Region that publicly communicate and display annual budget and expense figures as well as related regular audit and VfM findings
Baseline	2016	0
Target	2022	75% (equal to 9 out of the 12 administrative entities that will be included, i.e. 1 CR, 7 <i>cercles</i> , 4 communes)

As shown above, important indicators will be provided by the planned annual VfM studies that will be carried out by an external agent. The reason for including these VfM studies in the programme is twofold. Firstly, they provide a tool to monitor closely the risks, including the fiduciary risks, related to the financing of infrastructures in a large number of communes, *cercles* and regions. Secondly, the VfM studies will enhance the MATDRE’s ability to apply an evidence-based approach to decision-making and a tool to manage the reform process effectively.

### ***Choice of Partners***

The Ministry of Decentralisation as the ministry in charge of the decentralisation reforms is an obvious (and indispensable) partner for the promotion of decentralisation at national level.

There are several factors influencing the choice of the Sikasso Regional Council as partner for the support at subnational level. Firstly, Sikasso is one of the poorest regions in Mali, and at the same time it is a region with a considerable development potential. The region is almost twice the size of Denmark with a population of around 2.6 million with a relatively good annual rainfall (1,200 mm) and a large potential for irrigation. The region is also one of the safer regions and less affected by civil unrest and armed groups.<sup>39</sup>

GSB has been chosen as partner for strengthening the civil society side of the decentralisation process as it is the most important national network working with the monitoring of the public finances. It is presently a partner for the Embassy in an on-going development engagement (2015-2017). GSB's focus area has traditionally been at central level, monitoring the national budgetary process, but it also has member organisations at local level.

In terms of donor partners, the Embassy will participate in the thematic working group for decentralisation with a view to stay informed about developments in the wider context and to participate in the policy dialogue between the government and donor community. In addition, the Embassy will pursue a close and regular dialogue with the Swiss Development Cooperation as it has considerable experience in working with the Regional Council in Sikasso.

### ***Management Arrangements and Financial Modalities***

The three engagements with MATDRE, Regional Council Sikasso and the GSB will be managed in accordance with Danida's Guidelines.

The funding for MATDRE serves three purposes: (i) investments in infrastructure at local government level, (ii) technical support to the ministry provided by a Danida adviser, and (iii) funding for capacity development of the ministry, including studies and research, and an annual study of value for money of the investments financed that will be managed by the Embassy through a framework contract covering the services related to the FNACT as well as the direct engagement with the Sikasso Regional Council.

With the exception of GSB and the TA, the Danish contributions to decentralisation will be channelled through the national treasury. The contributions will be made bi-annually.

Regarding MATDRE, the national treasury will credit the accounts of ANICT / FNACT (investments) and the MATDRE account (capacity development). ANICT will request transfers from the national to the regional treasuries and onwards to treasury accounts managed by persons authorised to make payments (*Payeurs* and *Percepteurs* at *cercle* and communal levels, where works are done).

MATDRE will each year present a detailed annual work plan and a budget to the Embassy for approval. Treasury funds in favour of MATDRE will be transferred to MATDRE's dedicated bank account for this purpose. The Danida advisor will be paid directly by Danida.

The Sikasso Regional Council will each year present a detailed annual work plan and budget to the Embassy for approval and will then receive funds quarterly through the regional treasury in Sikasso and credited to a special bank account established for the purpose. Funds earmarked for investments will be channelled to lower administrative levels as described above.

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<sup>39</sup> It was originally the intention to also include a region from the Centre or the North, specifically Gao, to maintain a balance between North and South, but this has for the moment not been possible for security reasons. Until the security situation allows, the country programme will seek to support the delivery of public services in the North and Centre through the engagement with MINUSMA under the Peaceful Coexistence Programme.

GSB will each year present a detailed annual work plan and budget to the Embassy for approval and the Embassy will transfer funds quarterly to the GSB's dedicated account in a commercial bank as in the past. Whereas the results and the budget for the support to the GSB cover the entire programme period, the bilateral agreement is limited to the period mid-2017 to end of 2019. The mid-term review of the Country Programme will provide recommendations on a possible extension of the engagement based mainly on an assessment of the partner's performance in implementing the engagement and of the evolution of the overall national context.

The engagement partners' financial statements will be audited annually by a recognised external audit firm hired by the Embassy. In terms of auditing of funds channelled through the FNACT, the Embassy will pursue alignment with other contributing donors.

The Embassy will have bilateral steering committee meetings with each partner at least half-yearly to discuss progress, approve their work plans and budgets for the upcoming year and take note of audit reports.

To facilitate exchange of experiences, an annual Thematic Programme Coordination Meeting will be held for the Thematic Programme Partners. The Embassy will take the initiative to call for these annual meetings in coordination with MATDRE.

### ***Budget at Outcome Level<sup>40</sup>***

The table below shows the tentative budget for the thematic programme at partner level.

<b>Decentralisation</b>		<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
<b>2</b>	<b>Total Budget</b>	<b>33.3</b>	<b>72.7</b>	<b>71.5</b>	<b>74.5</b>	<b>77.7</b>	<b>80.2</b>	<b>408.7</b>
2.1	National-Level (MATDRE)	13.30	43.40	43.40	42.40	42.40	42.10	227.00
	1) MATDRE-Capacity Dev.	1.50	2.20	2.20	2.20	2.20	2.00	12.30
	2) M&E systems dev.	0.60	1.70	1.70	0.70	0.70	0.60	6.00
	3) FNACT	10.00	38.00	38.00	38.00	38.00	38.00	200.00
	Advisor	1.20	1.50	1.50	1.50	1.50	1.50	8.70
2.2	CR Sikasso	16.10	18.30	18.30	18.30	18.55	17.65	107.20
	1) CR - Capacity Development	0.60	1.20	1.20	1.20	1.20	0.60	6.00
	2) Investment budget	3.20	15.00	15.00	15.00	15.00	15.00	78.20
	3) M&E strengthening	0.20	0.40	0.40	0.40	0.40	0.20	2.00
	4) Communication and transparency	0.10	0.20	0.20	0.20	0.20	0.10	1.00
	TA Contract	12.00	1.50	1.50	1.50	1.75	1.75	20.00
2.3	Groupe Suivi Budgétaire	2.85	1.95	1.75	1.75	1.75	1.45	11.50
2.4	Unallocated	0.00	9.00	8.00	12.00	15.00	19.00	63.00

Unallocated funds will be allocated on the basis of considerations on developments in the overall scenario for Mali, the desired balance between thematic programmes and subsumed engagements and on the performance of these engagements. At the outset, and given that the security situation largely remains unchanged, it will be a priority to reward strong performance under outcome 2 and 1 with additional allocations based on careful considerations to implementation capacity.

<sup>40</sup> In the context of the Danish Finance Bill, it should be noted that budget for the thematic programme for decentralisation (DKK 411.7 mio.) will be placed under the account for "God Regeringsførelse" together with the budget for Programme Support (DKK 32 mio.).



### ***Monitoring***

As part of the country programme, an international M&E team<sup>41</sup> will assist the partners in refining and updating the indicators and for helping partners strengthen their M&E capacities. Real-Time Evaluation will be used in terms of documenting progress towards outcomes as well as other positive and possible negative, unintended impacts. Based on the information generated by RTE and through the standard M&E mechanisms described below, the Embassy, in consultations with the implementing partners, will assess the need for fielding technical reviews ahead of the mid-term review.

The major part of the engagement budget for MATDRE is for investments in infrastructure at local government level, managed by ANICT. To implement the investments through local governments, ANICT has a technical team at its headquarter and regional offices for technical support and monitoring of financing and project management at local government level. ANICT has installed a database called GRAMAH, which is used by ANICT inter-alia to keep track of individual projects throughout the country. The strengthening of the monitoring system is one of the outputs of the support to MATDRE. Reporting will be bi-annual. As mentioned above, independent annual Value for Money studies will serve an important tool for monitoring the quality of the results delivered as well as for helping the MATDRE lead a process of continuous improvement based on evidence from the field.

The monitoring procedures of the Sikasso Regional Council will be used to monitor the engagement and submit biannual reports. However, experience shows that the capacity of Malian partner organisations to plan, monitor and report on interventions does not always live up to what is required for the Embassy to fully perform its oversight functions. Moreover, Sikasso Regional Council is a new partner and the major part of the support is for investment in community infrastructure, requiring timely planning, execution and supervision. On this background, it is anticipated that both the technical assistance and the M&E team will be instrumental in helping the Sikasso Regional Council strengthen its monitoring systems and procedures.

The GSB is a small national umbrella network encompassing numerous NGOs and informal groups. For the past couple of years, GSB has received Danish grant support - its first bilateral donor cooperation. However, GSB will need to develop a formal M&E system going beyond the present quarterly progress reporting. Given the characteristics of GSB, this will be a challenge, not least because the outcome of its activities is by nature rather difficult to measure (capacity building and advocacy). Thus, the M&E team will be tasked with assisting GSB in creating a proper monitoring system. GSB will report quarterly as in the past.

### ***Main Risks and Risk Responses<sup>42</sup>***

The main risks are considered to be the following:

<b>Risk</b>	<b>Risk response</b>
The government's funding of the decentralisation reform proves too low or too unstable or selective (e.g. neglecting human resource development or recurrent budgets), to allow the reform to gain general acceptance as a tool for peace-building and equitable development	The Danish support for the reform is part of the risk response, including providing financing for local governments through ANICT-FNACT. The response will also include dialogue with the Government and other donors to press for increased funding for local governments.
Mismanagement or corruption disrupts the operations, delays and/or reduces	Insistence by the Embassy on receiving quality progress and financial reports on time and on the operationalisation of

<sup>41</sup> Reference is made to Annex G – ToR for M&E Technical Assistance

<sup>42</sup> Please refer to Annex E for the full risk management matrix. Only risks with a major combined residual risk have been included in the above table.

the outputs and outcomes of one or more of the partner organisations	external audit and control mechanisms. The Danish presence at the level of the ministry should facilitate this. The M&E set-up should provide indications on a possible lack of progress but will not necessarily be able to alerting on corruption issues. Annual Value for Money studies should flag corruption issues as these would show up as a mismatch between funds invested and the outcome.
The planned institutional changes, such as the effective establishment of the envisaged new regions or the reformed support structure for the regions (ADR, CPER, deconcentrated government services, a viable local government civil service, etc.) do not materialise, leading to distrust in the reform and the intentions behind it.	The programme support includes TA to the Decentralisation Ministry for the implementation of the reforms, including the establishment of a management information system that should ensure informed decision-making. The decentralisation is also a central theme for donor-Government dialogue and the monitoring of the implementation of the Peace Accord.
The necessary improvement of the external control and supervision of the sub-national governments are not put in place, leading to cases of bad governance, loss of funds, and discrediting of the involved local governments and to some extent leading to distrust in the local governments in general.	Pressure on the government by the donors to put particular emphasis on this aspect of the PFM reform. Inclusion of activities aimed at strengthening aspects of public participation, transparency and accountability in local planning, budgeting and monitoring of development activities. As an additional measure, Value for Money studies will be conducted annually to follow the decentralised public infrastructure projects financed through the Decentralisation Thematic Programme.
The technical capacity of the Regional Council to implement the programme shows weaker than anticipated.	A substantial TA to the regional level is already foreseen, but could be strengthened if needed.

## 5 PRIVATE SECTOR DEVELOPMENT THEMATIC PROGRAMME

### 5.1 Strategic Considerations and Justification

The Denmark-Mali Country Policy confirms that “Inclusive and Sustainable Economic Growth” is a thematic priority for Denmark. Currently this priority is being pursued through the on-going private sector development programme, PACEPEP,<sup>43</sup> that runs till end 2018 and aims to:

*“Strengthen inclusive economic growth through private sector led income generation and job creation”*. While this programme will continue, a new thematic programme will be formulated during second half of 2017 and first half of 2018. The new thematic programme will build on lessons learned so far and on the foundation created during the on-going programme while taking into consideration new directions set out in Denmark’s new development policy. The new programme will cover the period 2019 to 2022 and will be designed to support the third strategic objective of the Country Policy. In the framework of the UN 2030 SDGs, the thematic programme will be designed to primarily contribute towards Goal 1 (End poverty in all its forms everywhere) and Goal 8 (Promote inclusive and sustainable economic growth, employment and decent work for all).

The relevance of and justification for continuing Denmark’s engagement in this thematic area has been confirmed by the analyses carried as part of the preparation of this country programme as well as by the recently completed mid-term review of the on-going programme. Private sector development remains very pertinent in the current socio-economic context in Mali and is a thematic area fully aligned with one of the key strategic priorities in the Governments’ national plan (CREDD 2016-2018).

Current analyses point to the importance of the rural sector as a key entry point for enhancing poverty reduction. The World Bank’s SCD, 2015 stresses that *“the scope for economic transformation is limited and until 2030 opportunities for poverty reduction will need to be found in the rural sector”*. Based on Mali’s low ranking on the economic complexity index, opportunities for future diversification are most likely to emerge from agro-processing. A transformation away from agriculture towards manufacturing and services is unlikely to materialize in the short run. Hence, a successful poverty reduction strategy will need to start by raising incomes of those engaged in the primary sector. At the same time, the SCD points out that the demand side regarding food production is favourable due to rapid urbanization and regional structural food deficit. Mali is currently a net food importer, suggesting that there are opportunities for import substitution in the food sector.

A key strategic consideration in the formulation of the new thematic programme will be the identification of effective strategies to address the rapidly growing pool of youth in Mali based on the considerations presented above. Simultaneously there is a need to assess the effectiveness of the measures already taken in the programme to improve the targeting of women and make necessary adjustments. It is a serious concern that women in Mali have even less opportunities than men for securing paid employment. To ensure the livelihood of their families many women turn to small-scale income-generating activities, primarily in the agriculture sector, producing crafts, or buying and selling simple goods for retail or wholesale distribution in local markets. However, low levels of education, skills and business acumen means that their enterprises have low potential for growth and sustainable job creation.

Private sector development as a thematic priority and programme will be pursued through an reorientation of the current engagements under PACEPEP, but with the possibility of considering the inclusion of the promotion of youth entrepreneurship and job creation for young people, e.g. in the form of “incubator” activities and an more adequate organisational setting for the programme reflecting the target groups of the new programme. Although results achieved so far are weak in promoting advocacy activities related to enhancing the enabling environment for the private sector, activities in this respect will be pursued one way or another given the importance to boost dialogue between private sector operators and the State as an important condition for further economic growth.

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<sup>43</sup> Programme d’Appui à la Croissance Economique et Promotion de l’Emploi stimulées par le Secteur Privé (PACEPEP)

A financial envelope of DKK 220 million is tentatively set aside for this thematic programme for the period 2019-2022. Additional funds from the Danida Climate Change Envelope may also be made available.

## 5.2 Theory of Change

The programme aims at promoting an enabling environment and providing access to financial services, capacity building, skilled labour, and a facilitating infrastructure for MSMEs, producers and agribusiness actors within selected agriculture based value chains. The medium term changes are an increased production and generation of income, better investment in the target sectors and overall an inclusive development, resulting in job opportunities for youth and women.

A key assumption is that there is a huge, but not yet exploited potential for developing production and processing of national agricultural produce, when sufficient investment, processing skills and market linkages are available. It is also assumed that support based on a value chain approach makes it possible to identify and support critical links in the selected value chains, when MSMEs are provided with a package of incentives, access to credit and business support services, making them willing to risk investments and thus contribute to enhancing production and income generation.

While the current programme addresses enterprises of a certain size it is recognized that there is a limited number of SMEs within the agro-business sector and thereby a risk of saturation with regard to the absorptive capacity of direct support at this level. This limitation is already felt by the on-going programme as confirmed during a mid-term review of PACEPEP (August 2016). Demonstrating inclusiveness also remains a challenge, which is not automatically achieved by addressing the enterprise level currently targeted by PACEPEP.

## 5.3 Thematic programme summary

### *Adjustments to current Intervention Strategy in a future Programme*

In order to address this issue and taking the contextual analysis above into consideration, it is suggested that the future support within the area of inclusive and sustainable economic growth continues with a focus on agriculture based growth along a value chain approach, but with a larger scope in terms of integration of actors all through the value chain, and an even stronger focus on young people as economic actors.

Addressing a broader section of actors within the value chains will require that approaches are adapted to suit the very different needs of the actors at each level of the value chain, as also experienced by the current programme. Generic areas of intervention as included in component 1 of PACEPEP could remain the same (advisory services and training; access to finance; advocacy; access to infrastructure and equipment); but modes of delivery and type of services would need to be tailored to meet the needs of the different target groups.

The current component 2 on infrastructure development will be re-considered in terms of distinguishing between public and private infrastructure, and possibly linking any future support for public sector managed infrastructure to the thematic programme for decentralisation.

Component 3 focuses on technical training through a delegated partnership with Swiss Development Cooperation (SDC), which in the current phase runs till end 2017. SDC is in a phase of reconsidering support to this area, so it is uncertain which direction this will take. Depending on the outcome of the SDC reorientation (which also includes considerations regarding support to the private sector), the training element could be seen as an integrated part of the advisory services in the future programme.

Based on the findings and conclusions of the mid-term review, the current intervention strategy will be revised and supplement/replace existing partnerships with new partners in order to fulfil the objectives of the thematic programme area. These modifications will require a process of

identification of new/additional partners with capacities to deliver the required services to the different target groups within the objectives of the thematic programme.

The Embassy will engage in a process of deepening the analyses and identifying potential new partners that respond to the objectives of the future Danish engagement. Although some new activities could be introduced before 2019, the ‘full’ introduction of new partners would only be fully operational by the beginning of 2019. Since the initiation of PACEPEP several development partners have engaged in private sector support, including initiatives aimed at further engaging youth in the economic sectors through job creation, incubators etc. This offers opportunities for harmonising efforts and thereby reducing transaction costs as well as ensuring coherent approaches within the area of private sector support.

It is proposed that the strategic principle of ensuring that activities that directly target private sector operators are best managed by private sector institutions (incl. value chain organisations, financial institutions, etc.) will continue. Also the principle that development of public economic infrastructure remains the responsibility of central and local government institutions should be emphasized.

In addition to the above, the following strategic considerations will be added to the intervention strategy already in the current programme:

- Support to actors throughout the selected value chains through an integrated approach focusing on targeted geographic areas (“*bassins de production*”);
- Specific attention to the issue of inclusion, in particular of young entrepreneurs/producers;
- Building resilience in relation to shocks (including climate change) and promoting environmental sustainability;
- Attention to the introduction of innovative technologies including green technologies;
- Emphasis on public-private dialogue at national level (lobbying) and at regional level (e.g. prioritization of public investments in infrastructure relevant to private sector development).

### ***Short Summary of envisaged Development Engagements***

Based on the consultations held during the mid-term review, the following reflections combining partners with strategic intervention areas emerge:

- **Support to the ‘higher’ end of the value chain actors (SMEs)** could aim at the current target group of PACEPEP in terms of provision of advisory services, facilitating access to finance provided by regular financial institutions, with an evolution towards phasing out subsidies (except for e.g. green technologies).  
Over the coming year the Embassy will carry out an assessment of whether promotion of SMEs is best done by the current partner, CNPM. Possibilities to engage with other donors intervening in the promotion of SMEs will also be explored.
- **Support to the producer/smallholder level (and very small enterprises)** would address the actors at this level with provision of advisory services, facilitating access to finance provided by regular financial institutions, including micro-finance institutions, and access to technology. The possible application of subsidies for this segment should be carefully assessed and harmonised with other actors working with this segment of the agricultural private operators.  
Possible collaborations with other donors will be explored, not least with the Swiss development cooperation (SDC). This donor with whom there is a shared vision on key issues such as the approach to value chain development and modalities of financing SMEs has shown interest in engaging in discussions of future support within the area of agro-based private sector development (including a number of sub-areas of intervention, as indicated above) and holds good experience from the region in the “making markets work for the poor” approach.
- **Support to young entrepreneurs** could be integrated into activities under the two areas above. A number of initiatives under the heading of “Incubators” are currently being initiated

and tested. Instead of creating yet another incubator it is proposed to observe the development of these initiatives and possibly provide support to one of the promising initiatives also with a view to connecting economic development initiatives with peace building/conflict aspects.

- **Support to strengthening the business enabling environment** has so far not produced convincing results with regard to Public-Private dialogue mentioned above. The programme will continue working with MPISP on a focused agenda of activities as recommended by the mid-term review within the current programme horizon. Future support at this level could maybe best be provided through other partners, of which the World Bank, USAID and regional agricultural interest organisations could be possible partners.

A number of issues pertaining to the actual programme such as cooperation with the financial institutions and the guarantee fund could be addressed as integral issues in the above partnerships – or require separate partnership depending on partner choices and the evolution within this area over the coming period.

Depending on the partner choices in the future programme set-up it should be considered how to ensure that partners across the programme cooperate, and that the assumed linkages within the value chains between actors are created. This may require the introduction of technical assistance in some form.

## 6 MONITORING & EVALUATION

Monitoring and evaluation of the development engagements will be based on the monitoring and reporting carried out by each engagement partner, using their systems and procedures, and taking point of departure in the agreed risk- and results framework presented in the DEDs. Partners' reporting to the Embassy will include, but not necessarily be limited to, data pertaining to the indicators presented in the results framework and changes in the identified risk factors and assumptions associated with the underlying theory of change for the engagement. The continued volatile situation in Mali and the need for the Country Programme to respond flexibly to actual developments according to the scenarios, require a close, systematic and frequent monitoring and evaluation of progress and risks. In order to stay informed about developments in the immediate thematic- or larger national context, the Embassy will participate in the relevant donor coordination mechanisms as well as government-led coordination fora.

Although all partners recognise M&E as a powerful tool, experience from the previous cooperation indicates that many partners need help to develop effective M&E capacities and procedures. With a view to help these partners strengthen their M&E capacities, specialised M&E Technical Assistance will be put in place.<sup>44</sup> The role of this TA will be to establish a functioning monitoring and risk management system with a view to improving programme effectiveness, ensuring informed decision-making, enabling a learning process, and maximising transparency and accountability. Hence, from the inception of the Country Programme up to the Mid-Term Review, all engagement partners will have access to the TA services required to strengthen the effectiveness of their M&E systems, their planning approaches and the quality of their reporting towards the Embassy. Based on the information generated through these M&E mechanisms, the Embassy will assess the need for/benefits of fielding special technical reviews ahead of the mid-term review in consultation with the implementing partners.

The Mid-term review (MTR), scheduled to take place during second half of 2019, is expected to serve as an early opportunity to take stock of performance and to make adjustments with a view to ensure continued relevance as well as to pursue synergies across engagements and overall

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<sup>44</sup> Reference is made to Annex G – ToR for M&E Technical Assistance.

programme effectiveness. In this perspective, the MTR will be key to decisions on the extension of agreements with implementing partners and to the programming of unallocated funds.

In addition to the above M&E activities, the Evaluation Department in the Danish Ministry of Foreign Affairs will set-up a RTE system to facilitate early feedback and reflection on the course towards achieving outcomes thereby providing an opportunity to revisit the programme logic or risks. RTE is considered a relevant complementary tool for engagements in contexts of uncertainty where it is likely that there are going to occur significant changes during the implementation period. Due to these considerations, it is expected that the RTE system will focus on the engagements with FAMOC and CHD under the Peaceful Co-existence programme and the engagement with Regional Council in Sikasso under the Decentralisation programme. It is envisaged that RTE will work with these selected partners in assessing and documenting progress, identifying immediate and intermediate-level results so as to provide evidence-based feedback during implementation. This will include outcome-mapping to identify possible unintended outcomes (positive and negative) and alternative explanations as well as joint assessments of the continued validity of the underlying theory of change. Finally, the annual VfM studies will provide important feedback on the results generated by the decentralisation programme on the ground.

## **7 MANAGEMENT SET-UP AT COUNTRY PROGRAMME LEVEL**

The main forum for joint monitoring at the overall country programme level will be annual consultations between the Ministry of Foreign Affairs of Mali and the Ambassador of Denmark with a focus on assessing the continued overall relevance of the underlying ‘theory of change’, interpreting and discussing policy developments and their connections to Mali’s and Denmark’s overall development policies and strategic priorities, and on discussing status of programme implementation including progress in the indicators of the results framework and stock-taking on developments in the risk management matrix. The annual consultations will take place on the basis of a short annual country report prepared by the Embassy, presenting among other issues a summary of key developments over the year, changes in key assumptions and risk factors, progress achieved over the year, and a proposal for disbursements over the coming year.

During the implementation period, the policy dialogue between the Government of Mali and Danida is tentatively expected to focus on the following areas:

1. The general country conditions relating to the achievement of the strategic objectives in the Country Policy Paper and for the successful implementation of the Country Programme. This include, but is not necessarily limited to discussing broader context factors such as developments in the security situation as well as the specific status of progress in relation to the implementation of the Peace Accords and associated reforms; promotion of human rights; addressing high population growth rates; combatting corruption and impunity; and creating employment opportunities for youth. This dialogue will be informed by information generated by the Government and the collective donor community. This dialogue will take place partly in the established joint donor fora, in concert with other donors, notably the EU, and partly through the bilateral policy dialogue, including the annual consultations.
2. The conditions relating to the successful implementation of decentralisation reforms in general and the thematic programme for decentralisation in particular. This would include progress in and challenges relating to elections for the decentralised levels and the implementation of the fiscal decentralisation policy while simultaneously enhancing public finance- and public procurement management systems and procedures, including internal control mechanisms to ensure more efficient public spending. It is expected that the comprehensive and joint monitoring activities envisaged under the decentralisation programme, regular audit reports, and in particular the planned VFM audits, will inform this policy dialogue as will the dialogue

taking place in the joint thematic working group on decentralisation and the IMF review reports covering public financial management and fiscal decentralisation.

3. Improve the ability of the private sector to actively contribute to the country's economic growth, including through the creation of sustainable job opportunities for youth and through a fruitful public-private dialogue. This dialogue will be supported by analytical work to be carried out during the on-going programme and under the preparation of the future programme in support of private sector development.

The Embassy will use its Programme Committee meetings for regularly assessing developments in the programme context and risk factors as well as to take stock of financial and physical progress at the overall country- and thematic programme level. At engagement level, the Embassy will use management meetings with partners to assess progress compared to plans and budgets as well as to discuss and approve annual work plans and budgets. The frequency of these meetings differ from partner to partner; but range from two meetings a year for well-established partners such as MINUSMA and UN-Women to quarterly meetings with partners with whom the Embassy has little or no previous experience.

External annual audits of all engagements will be used to ensure that the funds have been used for the intended purpose. Audits, supplemented by tailored training for partners in anti-corruption, will aim to guard against, prevent and counteract corruption as well as to provide inputs to partners' pursuit of organisational strengthening.

Although all engagements, budgets and results frameworks have been designed with a view to continue till end 2022, engagements with non-governmental partners will in a first phase be limited till end 2019. The intention is to clearly communicate Denmark's focus on results in its development cooperation and to provide an opportunity for re-calibrating the country programme based on the Mid-term Review's recommendations on how to improve overall programme performance considering the context, Denmark's priorities, and the performance of partners.

All TA foreseen in the programme will be recruited in compliance with established EU rules and procedures for public contracts. Danida advisers (for the MATDRE) will be recruited in accordance with standard procedures for recruitment of Danida advisers.



# Denmark – Mali

## Country Policy Paper



2016-2021

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## **List of Abbreviations:**

AU – African Union

ECOWAS – Economic Community of West African States

EU – European Union

EUCAP – European Union Common Security and Defence Policy Mission in Mali

EUTM – European Union Training Mission in Mali

MINUSMA - UN’s Multidimensional Integrated Stabilization Mission in Mali

MDGs – Millennium Development Goals

NGOs – Non-Governmental Organisations

SDGs – Sustainable Development Goals

UN – United Nations

UNSCR – United Nations Security Council Resolution



## **1. INTRODUCTION: MALI - THE SECURITY AND DEVELOPMENT NEXUS**

**Mali and the Sahel region have become of increased strategic importance to Danish and European foreign policy and security interests.** The conflict in Mali is closely linked to the broader Maghreb-Sahara-Sahel region. Following the collapse of Libya, Sahel is only one border away from Europe. The combination of weak states with limited control of vast territories and borders and a power vacuum in Libya have enlarged the playing field for rebels, transnational organised crime, violent extremism and terrorism. The limited control of borders allows for increased irregular migration towards e.g. Europe, driven by wide-spread poverty and large numbers of young people looking for opportunities and employment. Since 2012, the United Nations Security Council has repeatedly stated that the situation in Mali constitutes a threat to global peace and security.

**Mali appeared as the epicentre for the current crisis in the Sahel in 2011**, when a Tuareg uprising spearheaded violent Islamic groups taking control of the northern part of the country – coinciding with a military coup in the capital Bamako. The groups were driven back by the French led military intervention Serval supported by i.a. Denmark. Recognizing the potential impact in the region and beyond, the crisis in Mali has been met with an unprecedented international response - politically, militarily and in terms of development assistance.

**Mali is slowly recovering from the crisis.** Democracy returned after general elections in 2013 and the country was presented with a historical opportunity for peace when the Malian government and the two coalitions of armed groups during May and June 2015 signed the Algiers Peace Agreement in the presence of the international community. **However, the situation remains fragile.** While state structures are in place in the Southern part of Mali large parts of Northern Mali remain outside state control and with few – but notable exceptions – armed conflict has played out in the North. Implementation of the complex peace accord will be challenging, and it must be anticipated that violent extremists and organised crime will continue to fuel the conflict.

Facing significant insecurity and being one of the poorest and least developed countries of the world, **a durable resolution of the crisis requires recognition of the inter-dependence between security and development.** Just like peace and security are the immediate preconditions for good governance, effective service delivery and economic growth; inclusive democratic governance and economic growth are the long-term prerequisites for sustainable poverty reduction and a durable peace.

**It is in Denmark's strategic interest to continue our contribution to the stabilisation and development of Mali through a broad-based and comprehensive engagement. Denmark is a trusted partner in Mali**, and has responded to the Malian crisis with flexibility and

commitment to bringing Mali back on the democratic development track. In this regard, Denmark has combined all instruments available in a comprehensive manner.

This policy paper provides an analysis of the political, social and economic context in Mali, and based on this presents three strategic objectives underpinning the future Danish-Malian partnership, namely: 1) peaceful co-existence, stability and security, 2) democratic and inclusive governance, and 3) inclusive and sustainable economic growth. The paper will be used as a guiding, strategic document for the entire Danish-Malian partnership, including the bilateral development cooperation.

## **2. THE VISION: A STABLE MALI ENJOYING SUSTAINABLE PEACE AND ECONOMIC GROWTH**

*The overall vision for Denmark's partnership with Mali is that the people of Mali enjoy sustainable peace and development, underpinned by an inclusive and legitimate state with respect for human rights.*

To achieve the vision, **Denmark will expand and consolidate its comprehensive, integrated and strong partnership with Mali within three mutually reinforcing strategic objectives** in line with key Malian policy and development documents, including the Algiers Peace Agreement, Danish policy priorities related to addressing poverty and fragility, economic growth and irregular immigration, as well as key EU strategic documents and plans for Mali and the Sahel:

1. Promotion of peaceful coexistence and increased stability and security
2. Strengthened democratic and inclusive governance
3. Increased inclusive and sustainable economic growth

Recognising that political, security, social and economic progress is interdependent, the **integrated stabilisation approach for Denmark's engagement in fragile and conflict-affected areas will provide strategic direction during the pursuit of the overall vision.** It is a conflict sensitive whole of government approach that builds on Denmark's experiences in similar situations. It will help ensure the effective and balanced use of the instruments available, including development cooperation taking into account the cohesion of the country. The approach will serve to ensure policy coherence and joined up strategies within a regional perspective where relevant, while preserving the independence, neutrality and impartiality of humanitarian assistance. The approach will address key underlying drivers of conflict, irregular and forced migration and violent extremism etc. in the Malian context.

In pursuing the vision, a **broad range of diplomatic, political, military, humanitarian and commercial instruments as well as bilateral, regional and multilateral development**

**cooperation will come into play** under each strategic objective. Multiple instruments will be used simultaneously in a flexible manner, taking advantage of synergies across instruments. The aim will be to ensure that our relations continuously stay relevant and effective in a situation of changing national and regional dynamics. At the same time we will forge a partnership where Mali and Denmark will continue to pursue joint political agendas internationally and regionally, as has been the case e.g. on countering violent extremism.

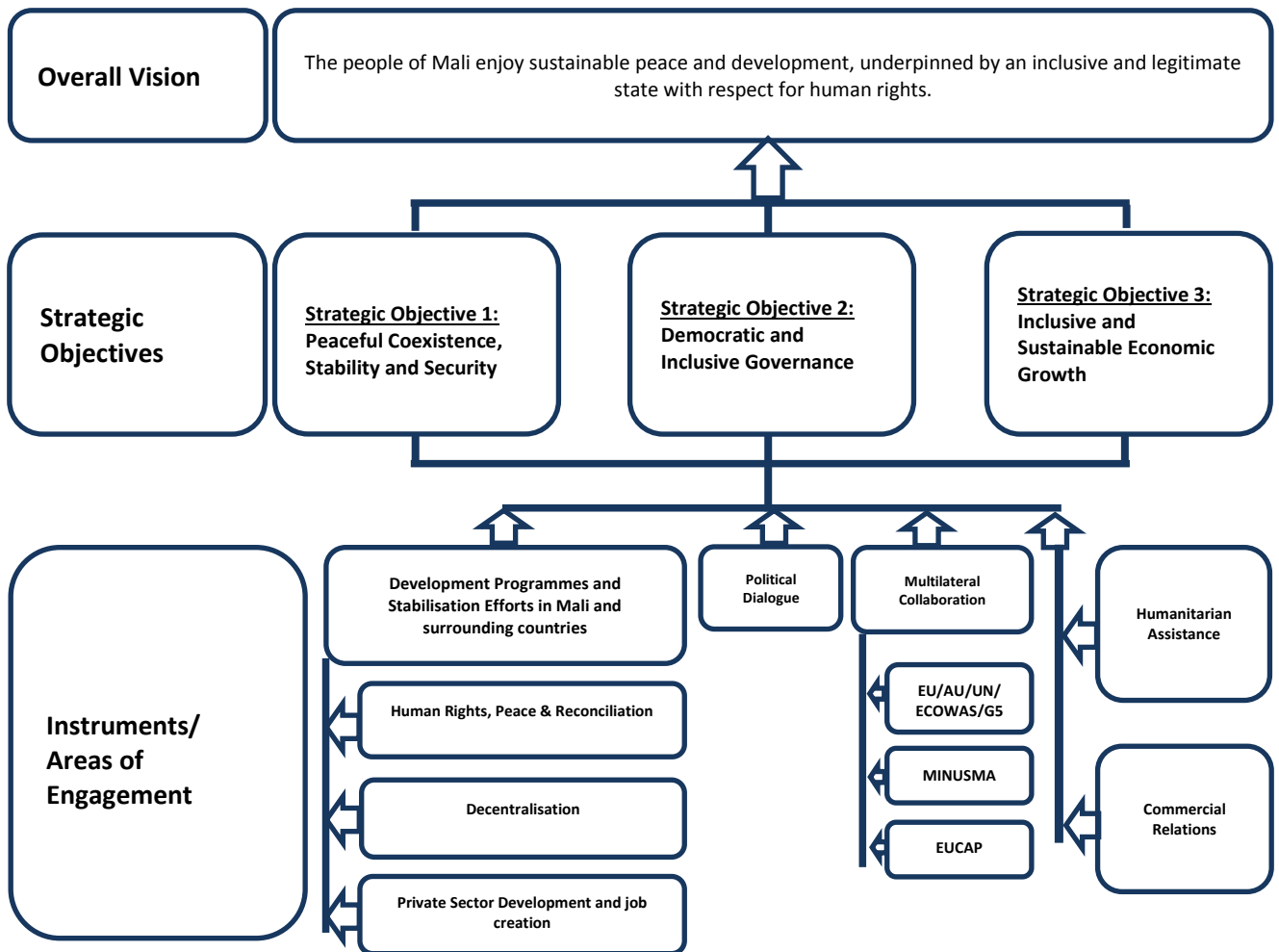
**Denmark remains committed to human rights and gender equality in all its dimensions.** Working with like-minded partners, Denmark will assert political influence to ensure that human rights and especially girls and women's rights are protected and promoted. In order to address the root-causes of Mali's crisis in a holistic manner, Denmark will **apply the Human Rights-based Approach**, using non-discrimination, participation and inclusion, transparency and accountability as guiding standards from initial analysis to final evaluation.

The Danish development partnership with Mali will be based on the following **strategic principles**:

- Denmark will apply and advocate for a realistic, **long-term transformational view** of continued progress towards the vision **as well as a long-term commitment and a flexible approach** to be able to adapt to changing situations.
- In order to simultaneously contribute to developing capacity and building trust between the Malian people and state at local and central levels, Denmark will consider a balanced **mix of top-down and bottom-up approaches**.
- In the pursuit of sustainable results, Denmark will work for the **integration of results and accountability measures into monitoring and evaluation systems**.

Recognising that risks are integral to the Malian context, Denmark will **approach and handle risks in an open and transparent manner**, and communicate about the relations between risks and results.

Figure 1: Strategic partnership between Denmark and Mali



### 3. DENMARK IN MALI – INSTRUMENTS, KEY PARTNERS AND RESULTS

Denmark has a broad based and longstanding partnership with Mali drawing on a wide range of instruments – spanning from active diplomatic and political efforts, military contributions, long-term development cooperation, regional stabilisation efforts to humanitarian assistance (cf. box 1). Denmark's active engagement in Mali's neighbouring countries Burkina Faso and Niger as well as Danish activities in North Africa (in particular Libya) also have an important impact on the situation in Mali and the Sahel.

**Box 1: The toolbox - Denmark's broad engagement in Mali**

- *Active diplomatic and political efforts bilaterally and in international fora, notably the EU.*
- *Long term bilateral development cooperation with Mali*
- *Regional stabilisation efforts using the Peace and Stabilisation Fund*
- *Military and civilian contributions to MINUSMA*
- *Humanitarian assistance in Mali and to Malian refugees in neighbouring countries*
- *Climate funds for Sabel*
- *Economic diplomacy*

**Denmark's efforts are part of a comprehensive international engagement in Mali.** A key partner in this regard is the UN's Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) established in April 2013. With UNSCR 2227 (2015) MINUSMA is mandated to i.a. protect civilians; monitor and supervise ceasefire arrangements; and support the implementation of the peace accord between the Malian parties. Another key partner is the EU which is the largest donor and provider of training to the Malian security forces. A number of EU Member States are strongly engaged in Mali, particularly France. Denmark will cooperate and align with other international partners in Mali and seek synergies where possible. Denmark will seek to influence multilateral partners, such as the EU, World Bank and UN organisations in line with the principles of this paper and pursue continued partnerships with Danish NGOs. Danish partnerships will be in keeping with Goal 17 ***“Revitalizing the global partnership for sustainable development”*** of the United Nation's 2030 Sustainable Development Agenda.

Denmark had been engaged in Mali for decades **when Mali in 2006 became a priority country for Danish long term development assistance.** Denmark has been a frontrunner in private sector development and is considered a reliable, innovative and flexible partner, a strong advocate for human rights (including for women), and an active player in the peace and reconciliation process.



### **Box 2: Denmark in Mali - looking at results**

Denmark has contributed to:

- Establishing 1,061 small-scale enterprises securing 5,924 existing jobs and creating 1,127 new jobs of which 40% are held by women (in the period 2008-2013)
- 500,000 Malians having gained access to safe drinking water (in the period 2013-2015).
- 1,073 villages have installed latrines and received education in good practices related to hygiene (in the period 2013-2015)
- 579 schools having developed safe sanitation (in the period 2013-2015).
- 4,500 Malians having conducted in-depth participatory action research, determining and prioritising obstacles and solutions to peace in Mali with strong Malian ownership and broad consensus (in the period 2013-2015).
- Key stakeholders, including the government, the army, the armed groups in the north and civil society representatives having participated in the peace process through 123 dialogue sessions and 183 radio debates (in the period 2013-2015).
- 147 members of the Malian Parliament having developed an understanding of measures to prevent corruption, strengthen accountability, and ensure transparency in public affairs (in 2014)
- Members of vulnerable groups and victims of gender-based violence having gained access to justice through 2,146 legal consultations (in 2014)
- Protecting the share of the national budget allocated to ensuring equal access to social services and to prevent it from falling below 32% (in 2014)
- Providing humanitarian assistance to people in need, including informing 80,000 on the danger of unexploded ammunition and hand weapons (in 2014)

**Despite a difficult context, Denmark's partnership with Mali has provided good results** with its effective use of a broad range of instruments (cf. box 2). Both during and following the state coup, Denmark successfully managed to rapidly adapt the development cooperation to the changing conditions by restructuring the Danish development engagements from direct relations with the state to collaboration with parastatal organisations, international and Malian civil society organisations. The reorganisation enabled Denmark to remain in Mali throughout the crisis as one of few active development partners, playing its part in re-installing security and constitutional democracy. The future Danish-Malian partnership will build on lessons learned and results achieved since 2010.

## **4. NATIONAL CONTEXT**

### **4.1 Peace within reach**

Mali is situated in the Sahel where the disintegration of Libya, presence of international terrorist groups, transnational organized crime and trafficking are **destabilizing factors that play into and exacerbate existing conflict lines**. There are historic divides between the densely populated South and the inaccessible and sparsely populated North. Since independence in 1960 Mali has seen several armed rebellions followed by unfulfilled peace agreements.

**The risk of armed groups taking over the entire country** in 2013 led to an unprecedented international engagement in Mali aimed at stabilizing the country. At the request of the

### **Box 3: Key elements of the Algiers Peace Agreement 2015**

- Demobilisation of armed groups and re-integration in the Malian army and society
- Comprehensive decentralisation to regional and municipal levels as well as better representation in the political and administrative system
- Increased development efforts in the North
- Reconciliation and humanitarian action
- A monitoring committee with broad international participation will supervise the implementation.

government of Mali and backed by the UN Security Council and the entire international community, MINUSMA plays a key civil and military role in the Malian peace process and will continue to do so for the time to come.

**After a lengthy process, the Algiers Peace Agreement was signed during May and June, 2015.** It seeks to address important root causes to the conflict such as weak security forces, exclusion, inequalities and lack of representation as well as reconciliation and immediate humanitarian needs, whereas other root causes such as corruption are not addressed. **The peace accord presents Mali with a unique opportunity to build a peaceful country** and will be at the centre of stabilisation and development efforts in the years to come. Mali is more than 25 times the size of Denmark but with only three times the number of inhabitants. Effective control of the vast territories by weak security forces is extremely difficult. **Transnational organized crime will thus continue to fuel conflict and instability** and remain a critical obstacle to peace and development.

**The humanitarian situation caused by the violent conflict continues to be serious** with about 78,000 internally displaced persons and 138,000 Malians refugees in neighbouring Niger, Mauritanian and Burkina Faso (2015). In addition, Mali and the entire Sahel region are regularly affected by drought and malnutrition is endemic in Mali.

#### ***4.2 Weak democratic structures***

After the end of authoritarian rule in the 1990s, democracy and rule of law seemed well-established in Mali. **However, the 2012 crisis revealed deep fractures in the Malian society – also in the South** – that contributed to the apparently sudden disintegration of the state when the then government was ousted by the military coup. External factors and the Northern rebellion were catalysts for the 2012 crisis. But the crisis also illustrated that years of **poor governance and weak democratic institutions**, including poor enforcement of rule of law, weak security forces, endemic corruption and impunity, have been detrimental to social and national cohesion and have provided fertile ground for instability.

Mali's decentralisation process that was launched in the 1990s lost momentum in the early years of the new millennium. The main reasons were the previous governments' reluctance to transfer power and resources and the inadequacy of the financial and human resources available to local governments. **The profound decentralisation reform foreseen in the peace agreement is an important new opportunity** to deepen Mali's democratic transition. The progress of other key reforms such as security sector reform, legal sector reform and public financial management reform will also be essential to restore the legitimacy of the state and strengthen social cohesion.

**Although Mali has ratified most international and regional human rights instruments, including women's and children's rights, key challenges remain, particularly related to the conflict in the North.** Despite some progress women and girls are still largely deprived of their equal rights and status, including the lack of access to sexual and reproductive health and

rights as well as the exclusion from political decision making and economic activities. Given the breadth and depth of human rights violations in Mali, human rights must be at the core of Mali's development.

### ***4.3 Trapped in a circle of poverty***

**Mali is ranked 176th out of 188 countries in the Human Development Index and is on target to meet only three of the 2015 Millennium Development Goals (MDGs),** i.e. eradicating hunger, combat HIV/AIDS, and access to safe drinking water, whereas it is unlikely that other MDG's will be achieved. More than 50% of the Malian population live on less than 1.25 USD per person per day.

With a population growth of 3% per year **the population will double in 24 years, leaving current growth rates insufficient to effectively combat poverty.** 70% of the population is below 30 years and every year an estimated 300,000 new young people enter a labour market with few job opportunities. The young population presents Mali with numerous challenges in terms of combatting poverty and creating conditions conducive to the growth and employment in order to avoid social unrest, crime, radicalisation and irregular migration. Mali has not yet started the demographic transition which in other Sub-Saharan countries has yielded a demographic dividend from a rising share of the working age population. However, the potential of the demographic dividend also represents a significant opportunity if realised.

**Migration for economic reasons is a traditional response to the lack of opportunities in the poorest countries in West Africa,** including Mali. Most Malian migrants travel to the richer neighbours along the African coast or to the Maghreb countries. There is free movement in the entire West African region. Mali benefits from the emigration of a large part of its unemployed youth as well as from substantial remittances which surpass the flow of development aid. Following the collapse of Libya, new routes towards Europe have opened up from the West African region through Mali and Niger. Mali has thus become both a migrant producing and a transit country for migration towards Europe. Human traffickers are of increasing importance to transport people over the dangerous Sahara desert, Libya and the Mediterranean Sea.

**The Malian economy is heavily dependent on cotton and mining** as the main export products and is thus vulnerable to world market prices. Mali's formal private sector accounts for less than 40,000 jobs. The majority of private sector businesses are organised as small informal family-based enterprises with little potential to move beyond a subsistence economy. **The economy's dependence on rain-fed agricultural activities remains a structural challenge** due to changing weather conditions and the effects of climate change. The agricultural sector is characterised by low productivity due to lack of secure land tenure, a weak agricultural extension services and difficulties in accessing credit. The processing of agricultural produce remains limited. Despite measures taken by government to improve the business climate **the World Bank Doing Business 2015 ranks Mali 146 out of 189 countries.**

Limiting factors include inadequate access to credit, cumbersome regulatory and fiscal procedures, corruption and national products not conforming to international standards.

## **5. STRATEGIC OBJECTIVES FOR DENMARK'S PARTNERSHIP WITH MALI**

### ***5.1 Strategic objective 1 – Peaceful Co-existence, Stability and Security***

Mali's stability and ability to protect its people from conflict and shocks as well as its populations' resilience is vital and **a first condition for efforts to reduce poverty, strengthen democratic transition, and pave the way for an inclusive and sustainable economic growth.**

***A strategic objective for Denmark is to support peaceful co-existence and increase stability and security.*** The objective reflects that the current conflict in northern Mali needs to be contained. Also the spread of radicalization, as well as criminal and violent extremist groups should be countered. The (humanitarian) impact of a potential spread to neighbouring countries could be disastrous for the region and with significant spill-over effects to Europe. Mali's national policy framework and the Algiers Peace Agreement provide opportunities to address many of the underlying causes behind Mali's multidimensional challenges. The objective is in keeping with Goal 5 (Achieve gender equality and empower all women and girls) and Goal 16 (Promote just, peaceful and inclusive societies) of the United Nation's 2030 Sustainable Development Agenda.

A secure, stable and peaceful Mali will require a concerted effort from the Malian government as well as the international community. **Denmark will cooperate with like-minded partners to keep Mali high on the international agenda and in furthering the peace process.** Key international partners will be the EU on maintaining focus on political reforms, MINUSMA, France whose Barkhane mission will be critical to countering violent extremism, the EU's military and civil security sector training missions EUTM Mali and the EUCAP Sahel Mali, and the African Union, the regional organization G5 and other like-minded partners.

**Denmark will capitalize on its experiences with the integrated stabilisation approach,** its contribution to MINUSMA and the EUCAP Sahel Mali mission, and the perception of Denmark as a country committed to and capable of facilitating broad-based cooperation across the domains of policy, security, humanitarian assistance, and longer term development efforts. In keeping with the UN Security Council Resolution 1325 on Women, Peace and Security, Denmark will continue to give **priority to addressing violence against women and support women's role in building peace.** In addition, a greater linkage between humanitarian assistance and development cooperation will be essential in order to achieve a greater degree of resilience as well as to create durable solutions for vulnerable groups to sustain a dignified life.

Denmark will:

- Work for maintaining national, regional and international commitment to Mali's peace process through active diplomacy, in particular by cooperating closely with the EU, but also the UN and other key international partners.
- Use all instruments to assist MINUSMA in playing its key role in the peace and stabilisation process, including through military and civilian deployments.
- Strengthen the engagement in key areas important for stabilisation in Mali and the Sahel, such as improved security, countering violent extremism, conflict prevention and resolution, reconciliation, reintegration of displaced people, and the promotion and protection of human rights.
- Work actively to address challenges related to irregular migration and human trafficking, e.g. through improved security in the border regions.
- Alleviate humanitarian needs and contribute to improved protection of those affected by conflicts, crises and disasters, with a focus on strengthening the resilience of vulnerable groups.

### ***5.2 Strategic objective 2 - Democratic and Inclusive Governance***

Economic inequalities and political exclusion have been behind historical resentments against the state, especially among northern communities. **A legitimate state must be based on democratic values, transparency, rule of law and inclusion.** Democratic governance holds the promise of containing Mali's internal conflict potential, managing fragmentation tendencies and neutralising socio-economic conflicts of interest.

***A strategic objective for Denmark is to strengthen democratic and inclusive governance*** and increase the number of mechanisms through which the Malian people can participate in governance and hold their government - local as well as national - to account. Shortcomings of democratisation and decentralisation are key causes for the failure of previous peace agreements. Participation in and control by democratic actors of the state's commitment to development and poverty reduction efforts will be key to increasing the legitimacy of the state and to laying the foundation for a more stable Mali. The objective is in keeping with Goal 5 (Achieve gender equality and empower all women and girls), and Goal 16 (Promote just, peaceful and inclusive societies) of the United Nation's 2030 Sustainable Development Agenda.

In particular the low level of participation in democratic processes is a key concern and an obstacle to Mali's further democratic transition. Although the laws and system allow greater involvement of citizens, the incentives to participate in decentralised governance have not yet materialised. The Algiers Peace Agreement with its broad-based backing provides a strong mandate and **a new opportunity for improving the representativeness and functioning of Mali's democratic processes and state institutions.**

Strengthening democratic governance requires a **concerted effort from Mali's government, civil society and its international development partners**, including the EU, Germany and Belgium as key partners supporting Mali's decentralisation process. Denmark will build on its experience from working at national level with the government and the National Assembly as well as experiences from strengthening decentralised public service delivery mechanisms and civil society's ability to participate and facilitate greater accountability.

Denmark will:

- Promote inclusive political processes and legitimate governance as well as greater social cohesion, with particular attention to ensuring the participation of the poor and most vulnerable, including women and youth, in democratic processes.
- Assist the Malian government in implementing decentralisation reforms, while contributing to ensure improved service delivery for the population.
- Contribute to strengthening the civil society and seek to actively involve local stakeholders in order to gradually create the transparency, accountability and cohesion between the state and society, which infers legitimacy to political processes and ensures that they serve shared goals.

### ***5.3 Strategic objective 3 – Inclusive and Sustainable Economic Growth***

Acknowledging the security-development nexus, **improvements in peace and security will only be maintained if followed by inclusive and sustainable economic growth**. The large youth population needs to be recognised as a resource and their resilience to crime, violent extremism or migration needs to be strengthened by offering them better alternatives. Likewise, reintegration of internally and externally displaced people in the Malian economy is crucial.

***A strategic objective for Denmark is to promote inclusive and sustainable economic growth.*** This objective reflects Mali's need for a longer period of inclusive and sustained economic growth in order to effectively address key challenges such as the rapidly rising unemployment, growing socio-political discontent, and the financing of national development plans. The objective is in keeping with Goal 1 (End poverty in all its forms everywhere), Goal 5 (Achieve gender equality and empower all women and girls), Goal 8 (Promote inclusive and sustainable economic growth, employment and decent work for all) of the United Nation's 2030 Sustainable Development Agenda.

**The Malian private sector must play a key role in achieving this objective.** Not only as a source of income and employment; but also in facilitating a diversification of the economy; reducing the dependence on rain-fed agriculture and volatile gold and cotton prices, and providing the tax base. **The Malian government will have to provide coherent policies and**

**an enabling environment** that support productive activities and the creation of decent jobs, while ensuring that economic growth is pursued in a manner that it does not compromise the opportunities of future generations. Denmark will build on previous experience in supporting Malian private sector development with a value chain approach.

Despite difficult market conditions, important opportunities exist and Danish companies may show a greater interest in investing and working in Mali in the future. **Based on demand, Denmark will promote and support activities of Danish companies in Mali** as well as Danish-Malian economic activities through economic diplomacy and development cooperation.

Denmark will:

- Support Mali in fighting poverty and creating sustainable development through green growth, increased income and employment, especially for the youth and women, including support to reintegrate people affected by the conflict into the Malian economy.
- Promote Mali's integration into the regional and global market as well as an enabling environment for the private sector and Foreign Direct Investments in particular encouraging innovative public-private partnerships that can help foster pro-poor growth.
- Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small-, and medium-sized enterprises.
- Contribute to mitigating irregular migration through economic growth, including job creation.
- Respond to the demand for support and promotion of Danish companies' economic relations with Mali.

## 6. RISKS AND SCENARIOS

Mali remains exposed to numerous risks and vulnerabilities, some of which are nested within larger regional problems, related to climate change, the proliferations of arms, drugs trafficking, terrorism, consequences of internal and external conflicts, epidemics and pandemics, political instability, economic and financial crisis, high population growth etc. Over the policy period all of these risks and vulnerabilities may, on their own or in any combination, affect the ability to achieve Denmark's overall vision and the strategic objectives.

**Specific key risks requiring attention include:**

- Deteriorating commitment to the implementation of the Algiers Peace Agreement by one or several parties, leading to failure of the peace process and increasing violence;

- Failure to deliver tangible benefits to Northern communities within a reasonable timeframe, resulting in increased mistrust , leveraging arguments of spoilers;
- A reduction in the strength of the international and Malian security forces in the North, opening opportunities for actors to step up violent activities, resulting in increased insecurity and lack of protection of civilians;
- Deteriorating democratic governance and legitimacy of the government, resulting in increased political instability;
- Further instability in Mali's surrounding countries affecting the political, security and economic situation in Mali negatively.

The Country Policy operates with three major scenarios (cf. box 4) that will guide Denmark's engagement with Mali during the policy period. All three scenarios or a mixture of them are considered likely and can in principle become reality, underlining the fragility of the situation and the need to have realistic ambitions and maintain flexibility.



#### **Box 4: Three major scenarios for Mali**

**Scenario 1: Status quo.** This scenario assumes that the immediate future will resemble the past. Like earlier peace accords, the latest one will not bring about enduring peace for a variety of reasons. Other incentives and failure to deliver on key agreements will keep the North-South divide alive with regular outbreaks of violence and difficulties in accessing the north as a result. As a consequence of insecurity gradually expanding further south, the northern regions will be abandoned in terms of governance, public services and rule of law.

**Policy response:** *Denmark will maintain the balance between the three strategic objectives with a focus on addressing security challenges while working to strengthen democratic governance and laying the foundation for inclusive and sustainable economic growth.*

**Scenario 2: Towards stability.** The implementation of the Peace Accord provides the political and security arrangements needed to increase security and pursue stability. Successful integration of the Malian army means that northerners accept its presence. Trust between the north and the south grows as does the belief in a durable peace. The legitimacy of the Malian state increases with increased northern representation in key state institutions, greater decentralisation and democracy, and visible improvements in public service delivery. Government reforms together with increasing stability and gradually improved access create optimism and a more enabling environment for economic activities, including foreign direct investments. Key conditions that will allow this scenario to play out include strong leadership and determination to implement the Peace Agreement and continued support from the international community. Even if these conditions are met, there will be a constant threat from the presence of ‘spoilers’.

**Policy response:** *Denmark’s will gradually reduce its focus on peaceful co-existence, stability and security while increasing focus on democratic governance and inclusive and sustainable economic growth. Improved stability and access will allow for an increase in long term capacity building activities in Northern Mali. In addition, instruments aimed at promoting commercial relations can to a greater extent come into play.*

**Scenario 3: Increased insecurity.** Northern Mali continues to be where the destabilising dynamics of the region converge, increasing the threats to peace and security in the north as well as in the south. ‘Spoilers’ such as terrorists, organised crime and armed groups not part to the Peace Accord increase their activities in pursuit of a divided and unstable Mali in which their activities can thrive. The increased activity-level, the vastness of the Malian territory, and the asymmetric nature of the conflict, leave Malian security forces, MINUSMA and the French Barkhane mission overstretched, resulting in growing insecurity and increased displacements and possibly irregular migration. As citizen confidence in the state evaporates, religious leaders may enter politics to fill the vacuum, which in turn may threaten the secular nature of the Malian state, or the military may seek to capitalise on the situation, attempting a coup.

**Policy response:** *Denmark will increase its focus on achieving peaceful co-existence, stability and security. This will include increased use of instruments to improve security, ensure the protection of civilians, meet humanitarian needs, and promote stability. Problems with access to parts of the country and the need for addressing immediate security needs may make it difficult to monitor activities.*

## **7. MONITORING AND EVALUATION**

Denmark will monitor progress towards the overall vision and strategic objectives through policy-level reviews and dialogue with the government and partners, and through the tracking and analysis of developments in key indicators and risk factors. Developments in key risk factors will be monitored through the on-going dialogue with the Malian government, civil society and regional and international partners, and used for assessing and if necessary adjusting the composition of and balance between the strategic objectives and instruments.

## ANNEX 1. KEY DATA

KEY SOCIAL DATA		UNIT	VALUE	YEAR	SOURCE
Area		KM <sup>2</sup>	1,240,192.0	2015	WDI
Population		Millions	15.7	2014	WDI
Population proportion under 15		%	47.3	2013	WHO
Population growth		%	3.0	2013	WDI
Fertility rate, total (births per women)		Children	7.0	2013	WDI
Life expectancy at birth		Years	55.0	2013	WDI
Adult literacy (aged 15 and older)		%	33.4	2013	HDR
Human Development Index (HDI)		Rank out of 185 countries	176 (low human development)	2014	HDR
GINI inequality coefficient		Points	33.0	2014	HDR
Social Institutions and Gender Index		Points	0.5164 (very high category)	2014	OECD
KEY ECONOMIC DATA		UNIT	VALUE	YEAR	SOURCE
GDP		USD/billion	12.0	2014	WDI
Annual economic growth (share of GDP)		%	7.2	2014	WBG
GNI, Atlas Method		USD	11,314,792.2	2014	WDI
GNI per capita, Atlas Method		USD	720	2014	WDI
Economic sectors (share of GDP)					
	Agriculture, value added	%	42	2012	WDI
	Industry, value added	%	23	2012	WDI
	Services, value added	%	35	2012	WDI
Health Expenditure (share of GDP)		%	7.1	2013	WHO
Military expenditure		% of GDP	1.0	2013	WDI
Tax revenue		% of GDP	16.0	2013	WDI
Foreign direct investments (net inflows, BoP)		USD	307,853,389.0	2013	WDI
Official development assistance received in landlocked developing countries (ODA)		% of GNI	13.4	2013	MDG
Total debt service (% of exports of goods, services and primary income)		%	2.0	2011	WDI
Doing Business Rank		Rank out of 189 countries	146	2015	WBG
OTHER KEY DATA		UNIT	VALUE	YEAR	SOURCE
Corruption Perception Index (CPI)		1-100 points	32.0 (115 out of 176 countries)	2014	TI
Fragile States Index		Points	93.0 (30 out of 178 countries. Alert level)	2014	FFP
Freedom in the World Index (points 1-7. 1 representing most free, 7 representing least free)					
	Freedom rating (points 1-7. 1 representing most free, 7 representing least free)	Points	4.5	2015	FH
	Political Rights (points 1-7. 1 representing most free, 7 representing least free)	Points	5.0	2015	FH
	Civil Liberties (points 1-7. 1 representing most free, 7 representing least free)	Points	4.0	2015	FH
Internally displaced		Persons	78,000	2015	UNHCR
Refugees by country of origin (divided primarily between refugee camps in Mauritania, Burkina Faso and Niger)		Persons	138,000	2015	UNHCR
Governance perception					
	Maliens preferring democracy to other forms of government	%	75.0	2015	ABM
	Maliens preferring a unified country	%	92.0	2015	ABM
	Maliens believing persons implicated in human rights violations should be banned from holding elected positions	%	87.0	2015	ABM

### SOURCES:

ABM - Afrobarometer  
 FFP – Fund for Peace  
 FH – Freedom House  
 HDR – Human Development Index  
 MDG – United Nations’ Millennium Development Goals  
 OECD – Organisation for Economic Cooperation and Development  
 TI – Transparency International  
 UNHCR – United National High Council for Refugees  
 WBG – World Bank Group  
 WDI – World Development Indicators  
 WHO – World Health Organisation

## **ANNEX 2. DENMARK'S BILATERAL DEVELOPMENT COOPERATION WITH MALI**

The current transition programme (2015-2016) includes support to four thematic programmes: (I) Promoting Private Sector Development (PACEPEP), (II) Support to Water and Sanitation (PADS-PROSEA), (III) Promotion of Democracy, Peace and Reconciliation and (IV) General Budget Support (GBS).

The thematic programme for **Democracy, Peace and Reconciliation (2015 – 2016)** aims at promoting an environment conducive to democracy, peace and reconciliation in Mali in order to strengthen the resilience of the Malian population against current and future crises. The programme seeks to consolidate the results from the previous good governance programme (2009 – 2014) by reinforcing the capacities of the Malian Parliament, strengthening access to justice through paralegals, and supporting the peace and reconciliation processes. The programme budget is DKK 55 million.

The thematic programme for **Promoting Private Sector Development II (2013 - 2018)** supports private sector driven inclusive growth leading to increased income and employment generation through targeting a number of primarily agriculture based value chains and covering four regions in Mali. Efforts seek to strengthen the competitiveness of the private sector by providing access to business development services and financing, developing economic infrastructure to promote production and access to markets, and contributing to the competitiveness of economic sectors through vocational training focused on employment. The programme budget is DKK 300 million.

The thematic programme for **Improving Access to Water and Sanitation (2010 - 2016)** focuses on reducing household expenditures for water as well as to reduce water related diseases and to make time available for more useful pursuits. The strategy focuses on four principles (i) ensure access to drinking water through rural and urban water infrastructures, (ii) improve the health situation through access to public latrines, (iii) ensure the sustainability of infrastructures by strengthening management capacities, and (iv) ensure a more equitable access to drinking water at a lower cost, especially for poor households. The total programme budget for the period is DKK 415 million.

The thematic programme for **General Budget Support/Development Contract (2015 – 2016)** has the overall objective of reducing poverty and promoting human rights. The general budget support is provided in a close partnership with the EU State-Building Contract. The immediate objectives are to enable the government to respond to the current context and needs of the Malian people and to protect a pro-poor focus in its plans, budgets and expenditures as this is considered a prerequisite for long-term poverty reduction and stability. The total budget is DKK 40 million.

Besides the thematic programmes, activities include: a regional Sahel programme, a lean number of strategic Local Grant Authority projects and promotion of cultural cooperation and entrepreneurship with the aim to create income based cultural activities. In addition, Denmark contributes with **humanitarian assistance** to address the crisis, with a focus on internally displaced and other affected communities in Mali and Malian refugees in neighboring countries, in particular in Niger. In 2015 (per October), Denmark allocated DKK 26,9 million in humanitarian assistance. Mali continues to be a prioritized recipient country of Danish humanitarian assistance in 2016.

## ANNEX 3. OVERVIEW OF PROGRESS TOWARDS THE MDGS IN MALI

MDG INDICATOR	BASELINE	ACTUAL LEVEL	MDG 2015	LIKELYHOOD OF ACHIEVEMENT
<b>GOAL 1 ERADICATE EXTREME POVERTY AND HUNGER.</b>				
Population living below \$1.25 a day (%)	85.9 (1994)	50.6 (2010)	41.9	Unlikely
Proportion of population below minimum level of dietary energy consumption	16.7 (1991)	5.0 (2015)	8.3	Likely
<b>GOAL 2 ACHIEVE UNIVERSAL PRIMARY EDUCATION</b>				
Net enrolment ratio: primary (% of children of primary school age)	47.2 (1999)	68.8 (2013)	100.0	Unlikely
Literacy rate of 15-24 year-olds, women and men	24.2 (1998)	47.1 (2011)	100.0	Unlikely
<b>GOAL 3 PROMOTE GENDER EQUALITY AND EMPOWERMENT OF WOMEN</b>				
Gender Parity Index in primary level enrolment	0.61 (1990)	0.88. (2012)	1.00	Unlikely
Proportion of seats held by women in national parliament (single or lower house only - %)	2.3 (3 out of 129) (1997)	9.5 (14 out of 147) (2015)	50.0 (73 out of 147)	Unlikely
<b>GOAL 4 REDUCE CHILD MORTALITY</b>				
Under five mortality rate (deaths of children per 1000 births)	254.2 (1990)	122.7 (2013)	84.8	Unlikely
<b>GOAL 5 IMPROVE MATERNAL HEALTH</b>				
Maternal mortality ratio (maternal deaths per 100,000 live births)	1100.0 (1990)	550.0 (2013)	275.0	Unlikely
Antenatal care coverage, at least four visits (%)	25.8 (1996)	34.9 (2010)	100.0	Unlikely
<b>GOAL 6 COMBATE HIV/AIDS, MALARIA AND OTHER DISEASES</b>				
HIV incidence rate (number of new HIV infections per year per 100 people age 15-49)	0.16 (2001)	0.03 (2013)	<0.16	Likely
Tuberculosis death rate per year per 100,000 population	19.0 (1990)	10.0 (2013)	19.0	Likely
<b>GOAL 7 ENSURE ENVIRONMENTAL SUSTAINABILITY</b>				
Reverse loss of forests. Proportion of land area covered by forest (%)	11.5 (1990)	10.2 (2010)	>11.5	Unlikely
Proportion of population using an improved drinking water source (%)	27.1 (1990)	77.0 (2015)	63.5	Likely
Proportion of population using an improved sanitation facility (%)	14.1 (1990)	24.7 (2015)	57.0	Unlikely
<b>GOAL 8 GLOBAL PARTNERSHIP FOR DEVELOPMENT</b>				
Internet users per 100 inhabitants	0.00 (1990)	7.0 (2014)		
Mobile-cellular telephone subscriptions per 100 inhabitants	0.00 (1990)	149.02 (2014)		
ODA received in landlocked developing countries as % of their GNI	19.92 (1990)	13.42 (2013)		

## **Annex B: Partners - Brief Description**

### **1- Name :** United Nations Entity for Gender Equality and the Empowerment of Women (UNWOMEN)

**Legal Status:** Agency of the United Nations (UN)

**Mission:** UN Women aims at supporting inter-governmental bodies, such as the Commission on the Status of Women, in their formulation of policies, global standards and norms. Furthermore, the agency can provide help to Member States with implementation of defined standards, suitable technical and financial support to countries who request it, and to forge effective partnerships with civil society. Additionally, UN Women is considered as the lead organisation/coordinator in relation to the overall UN work on gender equality as well as to promote accountability, including regular monitoring of system-wide progress.

**Number and type of employees:** International staff: 3; National staff: 23; Consultants/experts: 2

**Annual budget:** 74 million DKK

**Largest sources of funding:** Voluntary contributions of UN Member States to UN Women

### **2- Name:** Centre pour le Dialogue Humanitaire (HD)

**Legal Status:** International NGO under private Swiss law. HD has had a framework agreement with the Malian Government since 2015.

**Mission:** Establish opportunities for dialogue by bringing together both direct and indirect conflict parties involved in the peace process (e.g. community, political, religious and armed groups). HD aims at facilitating peaceful interaction to establish sustainable cohesion between the above mentioned groups. Furthermore, the NGO gives strategic advice and technical support to several parties while attempting to include various segments of civil society (including women and youth) in the peace process. Additionally, HD also aims at prevention and management of conflicts, including those related to pastoral resources.

**Number and type of employees:** 15 Employees of which 2 are internationals. Furthermore HD works with a pool of 7 international specialist advisors (inclusion in civil society, defence and peace, humanitarian and religious affairs, mediation, political and institutional issues, and transitional justice). Furthermore HD has one Country Director, 1 Coordinator and 1 Assistant Coordinator.

**Annual budget:** 12.3 million DKK

**Largest sources of funding:** Denmark

### **3- Name :** Minusma Trust Fund

**Legal Status:** The Minusma Trust Fund for peace and security in Mali was created by the Security Council (Resolution 2085 (2012)) and is administered by a subsidiary organ of the Secretariat, MINUSMA. The management of the Trust Fund is undertaken in accordance with the United Nations Financial Regulations and Rules, and the Secretary-General's Bulletin ST/SGB/188 and Administrative Instruction ST/AI/284 outlining the establishment and management of trust funds within the UN Secretariat. The UN Staff Regulations and the UN Human Rights Due Diligence Policy also govern the establishment and management of the Trust Fund.

**Mission:** The Fund is designed to support the efforts of the Government of Mali to deal with the crisis and ensure long-term development prospects of the country, such as the return of the authority of the state and the constitutional order, promoting national dialogue, reform of the security sector, regional cooperation, human rights, election support, the process of disarmament-demobilization-reintegration and socio-economic projects.

**Number and type of employees:** There is a core programme management team at Bamako level composed of one P4 international and one UN Volunteer. The team is overseen by the Stabilization and Recovery Director and supported by three staff members (one P5, one P4 and one national staff) in the Monitoring and Evaluation Unit. In addition, at the regional level there are 4 field teams: Kidal, Gao, Mopti and Timbuktu. Each regional team is composed of 4 to 5 staff members, each including 2 internationals (one P4 and one UNV).

Administrative support is ensured by a P4 and a P3 (both international) in Finance working on the Trust Fund, overseen by the Finance Director. In the Office of the Director of Mission Support, there is one P4 (international) working around 20% of his time on the Trust Fund.

**Annual Budget:** Since the start of the Trust Fund, the Trust Fund has received 183 million DKK in voluntary donor contributions. The Trust Fund does not have an annual budget. Instead, resources fluctuate depending on donor contributions.

**Largest sources of funding:** Denmark, Canada, United Kingdom, Germany, The Netherlands, Norway, Luxembourg, Turkey, Ireland, Switzerland, Australia and UN DOCO.

**4- Name :** *Groupe Suivi Budgetaire (GSB)*

**Legal Status:** Association of 10 Malian Civil Society Organisations (umbrella organisations, NGO's and associations) which work under the name 'Groupe Suivi Budgétaire'.

**Mission:** Its main mission is to contribute to good governance practice in regards to public finance. GSB aims at minimising inequality and poverty through capacity building of civil society organizations in the collection, processing and analysis as well as budget advocacy. GSB wants, in a comprehensive way, to contribute to the improvement of public resource management within the state (government) and communities (civil society).

**Number and type of employees:** GSB has 5 employees, which includes one coordinator, one accountant, one secretary, a messenger and a security guard.

**Annual Budget:** 192 000 DKK

**Largest sources of funding:** OXFAM NOVIB, Denmark and UN Women

**5- Name :** *Regional Council of Sikasso (CR Sikasso)*

**Legal Status:** Public governing board, regional level

**Mission:** To meet the current and future needs of local communities and the region in relation to economic development, delivery of public services and supporting social and cultural activities. Assure the timely, coherent and effective implementation of the regional development strategy and the general management of the region and its public resources through direct supervision and management of regional projects and funds for economic, social and cultural development at the regional and local levels.

**Number and type of employees:** 46 employees including: 22 community officials; 4 state officials; 20 contractors and 4 ad hoc/project employees

**Annual Budget:** 121 million DKK

**Largest sources of funding:** Regional revenues, State grants and external technical and financial partners

**6- Name :** *Ministry of Territorial Administration, Decentralisation and State Reform (MATDRE)*

**Legal Status:** Ministry, Public Institution

**Mission:** To develop guidelines, policies and strategies within its area of ministerial responsibility. The ministry is responsible for heading, coordinating and following up on the implementation of the national decentralisation policy (DCPND 2015-2024 and the plan of action 2016-2019). Furthermore the ministry is considered the institutional anchor point for the process of decentralisation and is to engage in political dialogue with actors associated with the reforms and the process of decentralisation as well as for the implementation and monitoring of national programs relating to the reforms and the process of decentralisation.

**Number and type of employees:** Community officials (functionaries); State officials (functionaries); Contractors and Ad hoc/project personnel including support for technical (numbers have not been provided!)

**Annual Budget:** 50 million DKK

**Largest sources of funding:** Government budget and external technical and financial partners

## ANNEX C: Results Framework at Output-Level

22-Dec-2016

Thematic Programme		Peaceful Coexistence	
Thematic Programme Objective		Promote a more peaceful and resilient society with respect for human rights.	
Impact Indicator		a) % of population in the North who fear being affected by armed conflict b) % of population in the South who fear being affected by armed conflict c) % of population in the North (except Kidal) who experiences tensions between different groups in their locality (Enquête Modulaire et Permanente auprès des Ménages-EMOP)	
Baseline	Year	2016	The 2015 Enquête Modulaire et Permanente auprès des Ménages-EMOP showed :  a) 76% of the population in the North (excluding Kidal) report fear of being affected by armed conflict (p. 12) b) 39% of the population in the South report fear of being affected by armed conflict (p. 12) c) 33.6% of survey participants in the North indicate that they experience tensions or violence between different communities in their locality (p. 18)
Target	Year	2022	d) XX % of the population in the North (excluding Kidal) report fear of being affected by armed conflict e) YY% of the population in the South report fear of being affected by armed conflict f) ZZ% of survey participants in the North indicate they experience tensions or violence between different communities in their locality
<b>Engagement Title 1</b>		<b>Fonds d'Appui aux Moteurs du Changement (FAMOC)</b>	
Outcome 1		Marginalised CS groups, particularly youth, are actively engaging in reconciliation processes, media are contributing to peace building and active citizenship, and communities are increasingly resilient to conflict, incivility and violent extremism	
Outcome indicator		<ul style="list-style-type: none"> <li>Number of young people involved in decision-making processes among beneficiary communities</li> <li>Number of media outlets strengthened hereby contributing to the promotion of inclusive governance, active citizenship and the fight against violent extremism</li> <li>Number of young people who have carried out their legal rights (formal, transitional or traditional) due to FAMOC</li> </ul>	
Baseline	Year	2016	<ul style="list-style-type: none"> <li>0 young people involved in decision-making processes in beneficiary communities</li> <li>0 media outlets strengthened in the promotion of inclusive governance, active citizenship and the fight against violent extremism</li> <li>0 young people have claimed their legal rights (formal, transitional or traditional) due to FAMOC</li> </ul>
Target	Year	2022	<ul style="list-style-type: none"> <li>20.000 young people involved in the decision-making process of beneficiary communities</li> <li>30 media outlets strengthened in the promotion of inclusive governance, active citizenship and the fight against violent extremism</li> <li>20.000 young people have claimed their legal rights (formal, transitional or traditional) including 10.000 women and girls</li> </ul>
Output 1		Youth leadership within peace and recovery decision-making processes facilitated by FAMOC's beneficiary organisations has been promoted	
Output indicator		Number of young people engaged in activities of dialogue, training and negotiation due to FAMOC, including women/girls	
Baseline	Year	2016	0 young people engaged in activities of dialogue, training and negotiation due to FAMOC, including 0 women/girls
Target	Year 1	2017	500 young people engaged in activities of dialogue, training and negotiation due to FAMOC, including 250 women/girls
Target	Year 2	2018	1.000 young people engaged in activities of dialogue, training and negotiation due to FAMOC, including 500 women/girls
Target	Year 3	2019	2.000 young people engaged in activities of dialogue, training and negotiation due to FAMOC, including 1.000 women/girls
Target	Year 4	2020	4.000 young people engaged in activities of dialogue, training and negotiation due to FAMOC, including 2.000 women/girls
Target	Year 5	2021	8.000 young people engaged in activities of dialogue, training and negotiation due to FAMOC, including 4.000 women/girls
Target	Year 6	2022	12.000 young people physically engaged in activities of dialogue, training and negotiation due to FAMOC, including 6.000 women/girls

Output 2		Messages of inclusive governance, active citizenship and the fight against radicalisation by partner media outlets have been broadcasted	
Output indicator		Number of listeners per day across the country tuning into broadcasted messages of inclusive governance, active citizenship and the fight against radicalisation by FAMOC supported media outlets – including young people (source : Fondation Hirondelle/SOFRES)	
Baseline	Year	2016	0 country-wide listeners per day tuning into broadcasted messages of inclusive governance, active citizenship and the fight against radicalisation by FAMOC supported media outlets – including young people
Target	Year 1	2017	2 million country-wide listeners per day tuning into broadcasted messages of inclusive governance, active citizenship and the fight against radicalisation by FAMOC supported media outlets – including 900.000 young people
Target	Year 2	2018	3 million country-wide listeners per day tuning into broadcasted messages of inclusive governance, active citizenship and the fight against radicalisation by FAMOC supported media outlets – including 1.35 million young people
Target	Year 3	2019	3.5 million country-wide listeners per day tuning into broadcasted messages of inclusive governance, active citizenship and the fight against radicalisation by FAMOC supported media outlets – including 1.575 million young people
Target	Year 4	2020	3.5 million country-wide listeners per day tuning into broadcasted messages of inclusive governance, active citizenship and the fight against extremism/radicalisation by FAMOC supported media outlets – including 1.575 million young people
Target	Year 5	2021	3.8 million country-wide listeners per day tuning into broadcasted messages of inclusive governance, active citizenship and the fight against radicalisation by FAMOC supported media outlets – including 1.7 million young people
Target	Year 6	2022	4 million country-wide listeners per day tuning into broadcasted messages of inclusive governance, active citizenship and the fight against radicalisation by FAMOC supported media outlets – including 1.8 million young people
Output 3		Young people have been trained in the areas of human rights and active citizenship	
Output indicator		Number of young people who have carried out their legal rights (formal, transitional or traditional) – including women and girls. (source: CAPDH; jurisdictions; CNDH; other human rights defending organisations)	
Baseline	Year	2016	500 young people including 250 women/girls
Target	Year 1	2017	1.000 young people including 500 women/girls
Target	Year 2	2018	2.000 young people including 1.000 women/girls
Target	Year 3	2019	4.000 young people including 2.000 women/girls
Target	Year 4	2020	8.000 young people including 4.000 women/girls
Target	Year 5	2021	16.000 young people including 8.000 women/girls
Target	Year 6	2022	20.000 young people including 10.000 women/girls
Outcome 2		The National Human Rights Commission performs in accordance with its mandate and in conformity with the Paris Principles.	
Outcome indicator		Accreditation by the International Coordinating Committee (ICC) for conforming with the Paris Principles	
Baseline	Year	2016	The National Human Rights Commission is currently not accredited by the ICC
Target	Year	2022	The National Human Rights Commission accredited by the ICC for conforming with the Paris Principles
Output 1		Human Rights are promoted and violations of human rights in Mali is monitored and documented.	
Output indicator		a) No. of people completing CNDH Human Rights courses (by gender) b) No. of reports on human rights violations in Mali	
Baseline	Year	2016	a) 200 (out of which 50 are women and 50 are youth) b) 0
Target	Year 1	2017	a) 300 (out of which 75 are women and 75 are youth) b) 1
Target	Year 2	2018	a) 600 (out of which 150 are women and 150 are youth) b) 1
Target	Year 3	2019	a) 800 (out of which 200 are women and 200 are youth) b) 1
Target	Year 4	2020	a) 1,000 (out of which 250 are women and 250 are youth) b) 1
Target	Year 5	2021	a) 1,100 (out of which 275 are women and 275 are youth) b) 1
Target	Year 6	2022	
<b>Engagement Title 2</b>		<b>Centre for Humanitarian Dialogue</b>	
Outcome		Enhanced capacity of actors in conflicts in Mali to resolve these successfully	
Outcome indicator		<ul style="list-style-type: none"> <li>Number of spaces for dialogue facilitated by CHD</li> <li>Number of conventions or declarations signed by communities in conflict</li> </ul>	



Baseline	Year	2016	<ul style="list-style-type: none"> <li>2 spaces of dialogue facilitated by CHD</li> <li>2 conventions or declarations signed by communities in conflict</li> </ul>
Target	Year	Cumulated 2017-2022	<ul style="list-style-type: none"> <li>13 spaces of dialogue facilitated by CHD</li> <li>12 conventions or declarations signed by communities in conflict</li> <li>1 inter-/intracommunity conflict resolved</li> <li>9 networks established</li> <li>10 radio messages broadcasted</li> </ul>
Output 1		Dialogue spaces have been established in the north and centre of Mali to promote adherence to the Peace Accord by the signatory parties and civil society	
Output indicator		<ul style="list-style-type: none"> <li>Number of participants included in the spaces of dialogue facilitated by CHD – including women</li> </ul>	
Baseline	Year	2016	2 spaces of dialogue facilitated, 90 participants including 9 women
Target	Year 1	2017	4 spaces of dialogue facilitated, 180 participants including 18 women
Target	Year 2	2018	7 spaces of dialogue facilitated, 330 participants including 33 women
Target	Year 3	2019	10 spaces of dialogue facilitated, 450 participants including 45 women
Target	Year 4	2020	11 spaces of dialogue facilitated, 540 participants including 54 women
Target	Year 5	2021	12 spaces of dialogue facilitated, 600 participants including 60 women
Target	Year 6	2022	13 spaces of dialogue facilitated, 660 participants including 66 women
Output 2		The grievances of and disputes between communities in the north and centre of Mali have been discussed and managed through meetings of mediation facilitated by CHD – including young people and women	
Output indicator		The number of resolved disputes by CHD facilitated mediation e.g. return of property, restoration of access to pastoral resources, etc.	
Baseline	Year	2016	2 convention or declaration signed by communities in conflict
Target	Year 1	2017	3 conventions or declarations signed by communities in conflict
Target	Year 2	2018	5 conventions or declarations signed by communities in conflict
Target	Year 3	2019	8 conventions or declarations signed by communities in conflict
Target	Year 4	2020	10 conventions or declarations signed by communities in conflict
Target	Year 5	2021	12 conventions or declarations signed by communities in conflict
Target	Year 6	2022	13 conventions or declarations signed by communities in conflict
Output 3		Religious tensions have been reduced through training and establishment of a network for religious leaders from the main Islamic orientations in the north and centre of Mali	
Output indicator		<ul style="list-style-type: none"> <li>Number of imams and koranic teachers trained and included in the network</li> <li>Number of messages of appeasement broadcasted on local radio by members of the network</li> </ul>	
Baseline	Year	2016	<ul style="list-style-type: none"> <li>3 networks established</li> </ul>
Target	Year 1	2017	<ul style="list-style-type: none"> <li>6 regional networks established (Mopti, Gao, Tomboctou, 75 leaders trained)</li> <li>2 radio messages created and translated into 6 languages: Peulh, Dogon, Songhaï, Bambara, Arabic and Tamashek</li> </ul>
Target	Year 2	2018	<ul style="list-style-type: none"> <li>9 regional networks established (Menaka, Taoudennit, Kidal, 75 leaders trained)</li> <li>2 radio messages broadcasted in each region, 4 times per month for a duration of 8 months</li> <li>4 radio messages created and translated into 6 languages: Peulh, Dogon, Songhaï, Bambara, Arabic and Tamashek</li> </ul>
Target	Year 3	2019	<ul style="list-style-type: none"> <li>4 radio messages broadcasted in each region, 4 times per month for a duration of 8 months</li> <li>6 radio messages created and translated into 6 languages: Peulh, Dogon, Songhaï, Bambara, Arabic and Tamashek</li> </ul>
Target	Year 4	2020	<ul style="list-style-type: none"> <li>6 radio messages broadcasted in each region, 4 times per month for a duration of 8 months</li> <li>8 radio messages created and translated into 6 languages: Peulh, Dogon, Songhaï, Bambara, Arabic and Tamashek</li> </ul>
Target	Year 5	2021	<ul style="list-style-type: none"> <li>8 radio messages broadcasted in each region, 4 times per month for a duration of 8 months</li> <li>10 radio messages created and translated into 6 languages: Peulh, Dogon, Songhaï, Bambara, Arabic and Tamashek</li> </ul>
Target	Year 6	2022	<ul style="list-style-type: none"> <li>10 radio messages broadcasted in each region, 4 times per month for a duration of 8 months</li> </ul>
NB: The annual targets will be confirmed as a result of the planned baseline study in 2017			
<b>Engagement Title 3</b>		<b>UN WOMEN</b>	
Outcome		Gender equality and the political, economic and social roles of women are integrated dimensions of the consolidation of peace and peaceful coexistence in Mali	
Outcome indicator		% of women participating in reconciliation and peacebuilding activities officially recognised by the Malian Reconciliation Commission.	
Baseline	Year	2016	5% - (2015) Source: Rapport de Commission de Réconciliation
Target	Year	2022	40% - Source: Rapport de Commission de Réconciliation

Output		The security of women and the respect for their rights in a post-crisis context has been improved	
Output indicator		Level of implementation of the Malian National Action Plan (NAP) regarding UN SC R1325 (% of action taken as part of the implementation of the Mali NAP regarding UN SC R1325)	
Baseline	Year	2016	Implementation of the weak NAP (Plan adopted though not applied or loosely applied)
Target	Year 1	2017	Implementation of the weak NAP (Plan adopted though not applied or loosely applied)
Target	Year 2	2018	Implementation of satisfactory NAP
Target	Year 3	2019	Implementation of satisfactory NAP
Target	Year 4	2020	Implementation of satisfactory NAP
Target	Year 5	2021	Implementation of satisfactory NAP
Target	Year 6	2022	Implementation of satisfactory NAP (With an implementation of 80% of the foreseen NAP activities)
Sources: Final evaluation report of the implementation of the UN SC R1325; Report of the monitoring committee of the implementation of the Peace Accord			
<b>Engagement Title 4</b>		<b>MINUSMA Trust Fund</b>	
Outcome		Public support for the Peace Process maintained in conflict-affected areas.	
Outcome indicator		Public confidence in the peace process in target conflict areas (measured by Enquete Modulaire et Permanente auprès des Ménages EMOP)	
Baseline	Year	2016	To be determined
Target	Year	2022	To be determined
Output		The public support to the peace process in the north and centre thus providing a window of opportunity for the Government to increase its legitimacy has been maintained.	
Output indicator		No. of Peace Dividend Projects, funded by Denmark, successfully completed and taken over by communities in Gao, Timbuktu, Kidal, Mopti, Taoudennit and Menaka (source: MINUSMA reports)	
Baseline	Year	2016	32
Target	Year 1	2017	36
Target	Year 2	2018	44
Target	Year 3	2019	52
Target	Year 4	2020	60
Target	Year 5	2021	68
Target	Year 6	2022	72

<b>Thematic Programme</b>		<b>Decentralisation</b>	
Thematic Programme Objective		Enhanced citizens' participation and improved public services at local level	
Impact Indicator		1. The population's satisfaction with local Governance 2. Mali's score in public participation in the Open Budget Index, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in the budget processes. ( <a href="http://www.openbudgetsurvey.org">www.openbudgetsurvey.org</a> )	
Baseline	Year	2015	1) Balance of -46 % (73 % are either very or mainly not satisfied with the delivery of services at commune level, 27 % answer "good" or "very good") 2) Mali scored 4 out of 100 in the Public Participation category in the 2015 Open Budget Survey.
Target	Year	2022	1) To be defined 2) 25 of 100 (corresponding to global average)
<b>Engagement Title 5</b>		<b>Support to the Ministry in charge of the decentralisation reform (<i>Ministère de l'Administration Territoriale, de la Décentralisation et de la Réforme de l'Etat - MATDRE</i>)</b>	
Outcome 1		Enhanced capacity of MATDRE to lead the decentralisation reform process proactively.	
Outcome indicator		a) % of public resources managed by local governments (national indicator and targets set out in the Peace Accord) b) Annual MATDRE state of progress report for the reform process publicised c) FNACT budget execution rate in % (indicating capacity to implement increased budget in accordance with procedures at decentralised levels) d) % of FNACT/ANICT executed budget associated with irregularities in annual audit reports and major insufficiencies in value for money studies	
Baseline	Year	2015	a) 9 % b) 0 c) To be defined

			d) To be defined
Target	Year	2022	a) 30 % b) 1 per year c) 70% d) To be defined
Outcome 2		Local governments have improved their performance in relation to local service delivery	
Outcome indicator		a) Number of approved FNACT projects annually b) Satisfactory quality of realised projects, using VFM studies	
Baseline	Year	2016	To be defined after the first value-for-money study
Target	Year	2022	To be defined after the first value-for-money study
Output 1		The capacity of the Ministry to better lead and coordinate the decentralisation reform has been enhanced.	
Output indicator		Level of decentralisation of budget	
Baseline	Year	2015	9 %
Target	Year 1	2017	15 %
Target	Year 2	2018	20 %
Target	Year 3	2019	25 %
Target	Year 4	2020	30 %
Target	Year 5	2021	30 %
Target	Year 6	2022	30 %
Output 2		Mechanisms for monitoring and evaluation of the performance of local governments and the projects financed by the FNACT have been strengthened	
Output indicator		e) Number and quality of monitoring reports on finalised infrastructure f) Number and quality of evaluation reports of the performance of local governments	
Baseline	Year	2015	
Target	Year 1	2017	g) One annual monitoring report on investments h) One annual evaluation report on the performance of local governments
Target	Year 2	2018	i) One annual monitoring report on investments j) One annual evaluation report on the performance of local governments
Target	Year 3	2019	k) One annual monitoring report on investments l) One annual evaluation report on the performance of local governments
Target	Year 4	2020	m) One annual monitoring report on investments n) One annual evaluation report on the performance of local governments
Target	Year 5	2021	o) One annual monitoring report on investments p) One annual evaluation report on the performance of local governments
Target	Year 6	2022	q) One annual monitoring report on investments r) One annual evaluation report on the performance of local governments
Output 3		Local governments make use of the investment funds from the FNACT in a transparent and efficient way	
Output indicator		Quality of the realised infrastructure according to the annual value-for-money studies	
Baseline	Year	2015	To be defined after the first value-for-money study
Target	Year 1	2017	To be defined after the first value-for-money study
Target	Year 2	2018	To be defined after the first value-for-money study
Target	Year 3	2019	To be defined after the first value-for-money study
Target	Year 4	2020	To be defined after the first value-for-money study
Target	Year 5	2021	To be defined after the first value-for-money study
Target	Year 6	2022	To be defined after the first value-for-money study
<b>Engagement Title 6</b>		<b>Support to the Regional Council in Sikasso</b>	
Outcome		Improved capacity in Regional Council to implement approved plans and budgets	
Outcome indicator		a) Execution rate in % of budgetary resources transferred to the RC in Sikasso b) % of executed budget associated with irregularities in annual audit reports and major insufficiencies in value for money studies	
Baseline	Year	2016	To be defined
Target	Year	2022	To be defined
Output 1		The Regional Council and its administration have been strengthened in its management, coordination and facilitation of the regional and local economic development	
Output indicator		Number of agents able to conduct the planning/programming and implementation of socio-economic infrastructure projects	
Baseline	Year	2016	The Institutional Development Plan (to be elaborated) will define the baseline and the annual targets
Target	Year 1	2017	To be defined after the Institutional Development Plan has been elaborated
Target	Year 2	2018	To be defined after the Institutional Development Plan has been elaborated
Target	Year 3	2019	To be defined after the Institutional Development Plan has been elaborated
Target	Year 4	2020	To be defined after the Institutional Development Plan has been elaborated
Target	Year 5	2022	To be defined after the Institutional Development Plan has been elaborated
Target	Year 6	2022	To be defined after the Institutional Development Plan has been elaborated

Output 2		The Regional Council has improved public service delivery through development and implementation of socio-economic infrastructure projects	
Output indicator		% of quality socio-economic infrastructure projects that have been finalised (this indicator will be measured using the annual value-for-money studies)	
Baseline	Year	2016	To be defined after the first value-for-money study
Target	Year 1	2017	To be defined after the first value-for-money study
Target	Year 2	2018	To be defined after the first value-for-money study
Target	Year 3	2019	To be defined after the first value-for-money study
Target	Year 4	2020	To be defined after the first value-for-money study
Target	Year 5	2021	To be defined after the first value-for-money study
Target	Year 6	2022	To be defined after the first value-for-money study
Output 3		The Regional Council's monitoring and evaluation mechanism for regional economic development has been strengthened.	
Output indicator		Number of reports monitoring the progress of the Regional Economic Plan	
Baseline	Year	2016	0
Target	Year 1	2017	1 report on the Regional Economic Development has been produced and shared with the stakeholders
Target	Year 2	2018	2 report on the Regional Economic Development has been produced and shared with the stakeholders
Target	Year 3	2019	3 report on the Regional Economic Development has been produced and shared with the stakeholders
Target	Year 4	2020	4 report on the Regional Economic Development has been produced and shared with the stakeholders
Target	Year 5	2021	5 report on the Regional Economic Development has been produced and shared with the stakeholders
Target	Year 6	2022	6 report on the Regional Economic Development has been produced and shared with the stakeholders
Output 4		The communication and transparency within the Regional Council and with regional stakeholders including civil society have been improved	
Output indicator		Number of forums for dialogue and consultation facilitated by the Regional Council with participation of other stakeholders from the region	
Baseline	Year	2016	
Target	Year 1	2017	5 has been realised
Target	Year 2	2018	13 has been realised
Target	Year 3	2019	21 has been realised
Target	Year 4	2020	29 has been realised
Target	Year 5	2021	37 has been realised
Target	Year 6	2022	45 has been realised
<b>Engagement Title 7</b>		<b>Support to Groupe Suivi Budgetaire</b>	
Outcome		The transparency, accountability and dialogue of the regional authorities with the population has improved in the Sikasso Region	
Outcome indicator		% of the local administrative entities targeted in Sikasso Region that publicly communicate and display annual budget and expense figures as well as related regular audit and VfM findings	
Baseline	Year	2016	0
Target	Year	2022	75% (equal to 9 out of the 12 administrative entities that will be included, i.e. 1 CR, 7 cercles, 4 communes)
Output 1		Capacity of GSB has been strengthened	
Output indicator		s) Number of trainers trained on the budgetary process, budgetary monitoring/analysis and budgetary advocacy inside the regional commission of the GSB in Sikasso t) Number of trainers trained in Sikasso who are actively engaged in training sessions as trainers	
Baseline	Year	2016	0
Target	Year 1	2017	7 trainers trained on the budgetary process, budgetary monitoring/analysis and budgetary advocacy inside the regional commission of the GSB in Sikasso
Target	Year 2	2018	7 trainers trained in Sikasso who are actively engaged in training sessions as trainers
Target	Year 3	2019	14 trainers trained on the budgetary process, budgetary monitoring/analysis and budgetary advocacy inside the regional commission of the GSB in Sikasso 14 trainers trained in Sikasso who are actively engaged in training sessions as trainers
Target	Year 4	2020	28 trainers trained in Sikasso who are actively engaged in training sessions as trainers
Target	Year 5	2021	42 trainers trained in Sikasso who are actively engaged in training sessions as trainers
Target	Year 6	2022	56 trainers trained in Sikasso who are actively engaged in training sessions as trainers

Output 2		Capacity building of Civil Society has been strengthened	
Output indicator		Number of representatives from civil society trained by GSB on the budgetary process, budgetary monitoring/analysis and budgetary advocacy Sikasso	
Baseline	Year	2016	GSB to define baseline
Target	Year 1	2017	120 civil society representatives trained on the budgetary process, budgetary monitoring/analysis and budgetary advocacy in Sikasso
Target	Year 2	2018	60 experts have been trained and are capable of training other CSOs in Sikasso region
Target	Year 3	2019	360 civil society representatives trained on the budgetary process, budgetary monitoring/analysis and budgetary advocacy in Sikasso
Target	Year 4	2020	600 civil society representatives on the regional, cercle and commune level in the Sikasso Region are capable of facilitating debates and consultations on the citizen's role in the development of the budget
Target	Year 5	2021	840 civil society representatives on the regional, cercle and commune level in the Sikasso Region are capable of facilitating debates and consultations on the citizen's role in the development of the budget
Target	Year 6	2022	2022 civil society representatives on the regional, cercle and commune level in the Sikasso Region are capable of facilitating debates and consultations on the citizen's role in the development of the budget
Output 3		Dialogue between civil society, local governments and deconcentrated ministerial entities has been initiated	
Output indicator		Number of public inclusive debates organised every year at the level of the Sikasso region and the targeted 7 cercles and targeted 4 communes on the budget monitoring reports	
Baseline	Year	2016	5 debates organised on the budget monitoring reports
Target	Year 1	2017	12 reports and 12 public inclusive debates have been organised (1 on regional level, 7 on cercle level and 4 on commune level)
Target	Year 2	2018	24 reports and 24 public inclusive debates have been organised (2 on regional level, 14 on cercle level and 8 on commune level)
Target	Year 3	2019	36 reports and 36 public inclusive debates have been organised (3 on regional level, 21 on cercle level and 12 on commune level)
Target	Year 4	2020	48 reports and 48 public inclusive debates have been organised (4 on regional level, 28 on cercle level and 16 on commune level)
Target	Year 5	2021	60 reports and 60 public inclusive debates have been organised (6 on regional level, 42 on cercle level and 24 on commune level)
Target	Year 6	2022	5 debates organised on the budget monitoring reports
Output 4		Transparency on decentralised management of public investments has improved	
Output indicator		Reports on the effectiveness and efficiency of the management of the public investments funds have been produced and distributed	
Baseline	Year	2016	
Target	Year 1	2017	0
Target	Year 2	2018	1 report
Target	Year 3	2019	2 report
Target	Year 4	2020	3 report
Target	Year 5	2021	4 report
Target	Year 6	2022	5 report

## Annex D.1 : Budget at Output-Level (in DKK mill.)

COUNTRY PROGRAMME		BUDGET (Million DKK)
<b>Total Budget</b>		<b>760</b>
<b>1</b>	<b>Peaceful Coexistence</b>	<b>294.1</b>
<b>E.1</b>	<b>FAMOC</b>	<b>97.0</b>
O1	Youth leadership within peace and recovery decision-making processes	28.0
O2	Messages of inclusive governance, active citizenship and fight against radicalisation broadcasted	19.5
O3	Young people trained in the areas of human rights and active citizenship	23.0
O4	Human rights are promoted and violations of human rights in Mali is monitored and documented	8.5
	<i>Contract for Fund Management</i>	<i>18.0</i>
<b>E.2</b>	<b>Centre for Humanitarian Dialogue</b>	<b>52.7</b>
O1	Dialogue spaces have been established in the north and centre of Mali to promote adherence to the Peace Accord by the signatory parties and civil society	27.3
O2	The grievances of and disputes between communities in the north and centre of Mali have been discussed and managed through meetings of mediation facilitated by CHD – including young people and women	9.5
O3	Religious tensions have been reduced through training and establishment of a network for religious leaders from the main Islamic orientations in the north and centre of Mali	12.6
	<i>Administration</i>	<i>3.3</i>
<b>E.3</b>	<b>UN-WOMEN (core funding)</b>	<b>56.0</b>
O1	The security of women and the respect for their rights in a post-crisis context has been improved	56.0
<b>E.4</b>	<b>MINUSMA Trust Fund</b>	<b>55.0</b>
O1	Communities in the North and in the Central part of Mali have benefitted from peace dividend projects funded by Denmark.	55.0
	<b>Unallocated - Peaceful Coexistence</b>	<b>33.4</b>
<b>2</b>	<b>Decentralisation</b>	<b>408.7</b>
<b>E.5</b>	<b>Ministry of Decentralisation (MATDRE)</b>	<b>227.0</b>
O1	The capacity of the Ministry to better lead and coordinate the decentralisation reform has been enhanced.	12.3
O2	Mechanisms for monitoring and evaluation of the performance of local governments and the projects financed by the FNACT have been strengthened	6.0
O3	Local governments make use of the investment funds from the FNACT in a transparent and efficient way	200.0
	<i>Advisor to the Ministry</i>	<i>8.7</i>
<b>E.6</b>	<b>Sikasso Regional Council</b>	<b>107.2</b>
O1	The Regional Council and its administration have been strengthened in its management, coordination and facilitation of the regional and local economic development	6.0
O2	The Regional Council has improved public service delivery through development and implementation of socio-economic infrastructure projects	78.2
O3	The Regional Council's monitoring and evaluation mechanism for regional economic development has been strengthened.	2.0
O4	The communication and transparency within the Regional Council and with regional stakeholders including civil society have been improved	1.0
	<i>Contract for Technical Assistance to CR Sikasso</i>	<i>20.0</i>
<b>E.7</b>	<b>Groupe Suive Budgetaire</b>	<b>11.5</b>
O1	Capacity of GSB has been strengthened	3.2
O2	Capacity building of Civil Society has been strengthened	5.0
O3	Dialogue between civil society, local governments and deconcentrated ministerial entities has been initiated	2.1
O4	Transparency on decentralised management of public investments has improved	1.2
	<b>Unallocated - Decentralisaiton</b>	<b>63.0</b>
<b>3</b>	<b>LGA</b>	<b>25.0</b>
<b>4</b>	<b>Programme Support</b>	<b>32.0</b>
4.1	Contract for M&E Technical Assistance	12.0
4.2	Contract for audits	5.0
4.3	Contract for conducting Value for Money Studies	10.0
4.4	Technical and Mid-Term Reviews	2.0
4.5	Formulation	3.0

## Annex D.2 : Country Programme Disbursement Budget (in DKK Mill.)

03-Jan-17

Country Programme		2017	2018	2019	2020	2021	2022	Total
Total Budget		75.0	137.0	137.0	137.0	137.0	137.0	<b>760</b>
<b>1</b>	<b>Peaceful Coexistence</b>	<b>31.7</b>	<b>55.3</b>	<b>54.5</b>	<b>53.5</b>	<b>51.3</b>	<b>47.8</b>	<b>294.1</b>
1.1	FAMOC	13.00	18.00	18.00	18.00	18.00	12.00	97.00
	<i>Funds for projects</i>	5.00	16.00	16.00	16.00	16.00	10.00	79.00
	<i>Contract for Fund Manager</i>	8.00	2.00	2.00	2.00	2.00	2.00	18.00
1.2	CHD	7.70	11.50	9.90	8.60	8.00	7.00	52.70
1.3	UNWOMEN	6.00	10.00	10.00	10.00	10.00	10.00	56.00
1.4	MINUSMA	5.00	10.00	10.00	10.00	10.00	10.00	55.00
1.5	Unallocated	0.00	5.80	6.60	6.90	5.30	8.80	33.40
<b>2</b>	<b>Decentralisation</b>	<b>32.3</b>	<b>72.7</b>	<b>71.5</b>	<b>74.5</b>	<b>77.7</b>	<b>80.2</b>	<b>408.7</b>
2.1	National-Level (MATDRE)	13.30	43.40	43.40	42.40	42.40	42.10	227.00
	<i>1) MATDRE-Capacity Dev.</i>	1.50	2.20	2.20	2.20	2.20	2.00	12.30
	<i>2) M&amp;E systems dev.</i>	0.60	1.70	1.70	0.70	0.70	0.60	6.00
	<i>3) FNACT</i>	10.00	38.00	38.00	38.00	38.00	38.00	200.00
	<i>Advisor</i>	1.20	1.50	1.50	1.50	1.50	1.50	8.70
2.2	CR Sikasso	16.10	18.30	18.30	18.30	18.55	17.65	107.20
	<i>1) CR - Capacity Development</i>	0.60	1.20	1.20	1.20	1.20	0.60	6.00
	<i>2) Investment budget</i>	3.20	15.00	15.00	15.00	15.00	15.00	78.20
	<i>3) M&amp;E strengthening</i>	0.20	0.40	0.40	0.40	0.40	0.20	2.00
	<i>4) Communication and transparency</i>	0.10	0.20	0.20	0.20	0.20	0.10	1.00
	<i>TA Contract</i>	12.00	1.50	1.50	1.50	1.75	1.75	20.00
2.3	Groupe Suivi Budgetaire	2.85	1.95	1.75	1.75	1.75	1.45	11.50
2.4	Unallocated	0.00	9.00	8.00	12.00	15.00	19.00	63.00
<b>3</b>	<b>LGA</b>	<b>0.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>25.0</b>
<b>4</b>	<b>Programme Support</b>	<b>11.0</b>	<b>4.0</b>	<b>6.0</b>	<b>4.0</b>	<b>3.0</b>	<b>4.0</b>	<b>32.0</b>
4.1	M&E Contract	6.00	2.00	2.00	2.00	0.00	0.00	12.00
4.2	Audits	0.00	1.00	1.00	1.00	1.00	1.00	5.00
4.3	VFM Studies	5.00	1.00	1.00	1.00	1.00	1.00	10.00
4.4	Mid-Term Review	0.00	0.00	2.00	0.00	0.00	0.00	2.00
4.5	Formulation	0.00	0.00	0.00	0.00	1.00	2.00	3.00

a	Total Country Programme Budget	759.8
b	Total unallocated amount	96.4
c	% of unallocated of total (b/a*100)	12.7%

## Annex E: Risk Management Matrix

Context: **COUNTRY PROGRAMME 2017-2022 - MALI**

File No: 2016-15908

### Contextual Risks

Risk factor	Likelihood	Background to assesement	Impact	Background to assessment	Risk response if applicable / potential effect on development cooperation in context
1 Deterioration of the security situation in Mali	<b>Likely</b>	The situation is still very volatile and there is a continued presence of de-stabilising elements in the northern and central parts of Mali. MINUSMA personnel and security forces have limited capacity.	<b>Major</b>	A worsening of the security situation might lead to a diversion of resources away from the implementation of the Algiers Peace Accords and its subsumed reforms. It could also lead to inability to access central and northern parts of the country and thus negatively impact on the country programme's ability to deliver expected outputs and outcomes.	This risk is to some extent addressed through the international community's support to MINUSMA, France's Barkhane mission and efforts to strengthen the capacity of of Malian security and defence forces.
2 Deterioration of the economy	<b>Likely</b>	Mali is vulnerable to external shocks such as climate changes and weather hazards. Further, Mali is highly dependant on revenue from a few commodities such as gold and cotton.	<b>Major</b>	Droughts and fluctuations in prices of key export products such as gold and cotton may lead to a fall in public revenue, which in turn may affect government's ability to finance its development plans and key reforms including the decentralisation reform.	National plans increasingly focus on the need for diversification of the national economy and on measures to reduce the vulnerability to external shocks.
3 An increase in the influence of extremist religious groups	<b>Likely</b>	Although Mali is a secular state religious aspects seem to have an increasing influence on political processes and on public decision-making. The observation that religious leaders in 2009 succeeded in convincing politicians to change the original proposal for a Family law into a stricter and conservative one serves as a reminder that this risk is likely.	<b>Major</b>	This could affect political stability and the support to national policies and plans, including support to the implementation of the key reforms in the Peace Accords.	The international community's support to national reconciliation, education and more inclusive participation in democratic decision-making process is likely to mitigate this risk.



4	An increase in the level of corruption	<b>Likely</b>	This could be triggered by increasing opportunities for corruption, possibly related to the decentralisation processes, and would mean that public financial resources are not spent to their intended purposes or that the effectiveness of public spending is sub-optimal. As decentralisation reforms are at the centre of the Peace Agreement, it is likely that Mali will experience a further increase in corruption levels as funds increasingly will be transferred to and spent at decentralised levels with even	<b>Significant</b>	It will have a significant impact on the ability to achieve expected result.	This general contextual risk is mitigated by development partners, such as the IMF, the World Bank, the African Development bank, and the EU focus on strengthening public financial management capacities at all levels. In the programme context, Denmark will seek to mitigate this risk through an approach that places high importance on capacity development, transparency and public participation throughout decentralised processes for planning, budgeting, implementing and evaluating publicly financed activities as well as the use of Value for Money studies.
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## Programmatic and Institutional Risks

Title:

**Decentralisation Thematic Programme**

### Programmatic Risks

	Risk factor	Likelihood	Background to assesment of likelihood	Impact	Background to assessment to potential impact	Risk response	Combined residual risk
P1	The government's funding of the decentralisation reform proves too low, or too unstable or selective (e.g. neglecting human resource development or recurrent budgets), to allow the reform to gain general acceptance as a tool for peace-building and equitable development, risking to discredit the reform.	<b>Likely</b>	Funding the reform sufficiently will require major reallocation within the national budget. The fiscal and political feasibility of this is uncertain looking at the track record of the present and previous governments regarding decentralisation, despite the promise in the peace agreement.	<b>Major</b>	Decentralised entities will not be able to build up highly needed capacity and to implement their development plans thus likely leading to adverse perception of the reform and its success and benefits. Long-term sustainability of donor funding will also be at risk.	The Danish support for the reform is part of the risk response, including providing financing for local governments through ANICT-FNACT. The response will also include dialogue with the Government and other donors to press for increased funding for local governments.	<b>Major</b>
P2	Mismanagement or corruption disrupts the operations, delays and/or reduces the outputs and outcomes of one or more of the partner organisations	<b>Likely</b>	The likelihood is probably different among the partner organisations, with the regional councils most likely to run into such problems. Integrity problems at local government level relating to funding from ANICT are unlikely to disrupt the general operations of ANICT and the Danish funding.	<b>Major</b>	In case ANICT or one of the local governments are hit by a corruption or mismanagement scandal, its general operation may be disrupted and Danish funding halted, causing damage to the achievement of outputs and outcomes.	Strict insistence by the Embassy on receiving quality progress and financial reports on time and on the external audit and control mechanisms being operational. The Danish presence at the level of the ministry should facilitate this. The M&E set-up should give some indications on a possible lack of progress but will not necessarily be able to alerting on corruption issues. Again, the annual Value for Money studies should flag corruption issues as these would show up as a mismatch between funds invested	<b>Major</b>
	<b>MATDRE</b>						

P3	The planned institutional changes, such as the effective establishment of the envisaged new regions or the reformed support structure for the regions (ADR, CPER, services deconcentres, a viable local government civil service, etc.) do not materialise, leading to distrust in the reform and the intentions behind it.	<b>Likely</b>	The decentralisation reforms entail a radical transformation of inter-governmental relations consisting of a number of interlocked steps, the realisation of which range from unlikely to likely depending on the focus. Whereas some elements are rather certain to materialise (although their practical operation will be challenging), establishing a fully functional decentralised civil service is likely to cause severe technical and political problems and	<b>Major</b>	Because the proposed decentralisation reform is viewed as critical to addressing the root causes of the political and security crisis, failure to establish a structure capable of delivering an acceptable level of services is likely to result in growing distrust in the government.	The programme support includes TA to the Decentralisation Ministry for the implementation of the reforms, including the establishment of a management information system that should ensure informed decision-making. The decentralisation is also a central theme for donor-Government dialogue and the monitoring of the implementation of the Peace Accord.	<b>Major</b>
P4	The necessary improvement of the external control and supervision of the sub-national governments are not put in place, leading to cases of bad governance, loss of funds, and discrediting of the involved local governments and to some extent leading to distrust in the local governments in general.	<b>Likely</b>	The control functions in the Malian public sector are generally heavily underfunded and understaffed. A significant upgrading of them will be needed in order to adequately cover the decentralised levels. This area is highlighted in the new policy and may see decisive corrective action. Civil-society activism can only partly compensate the weakness of the external control functions.	<b>Major</b>	Insufficient control from the central level and the emergence/continuation of a culture of impunity in local governments will discredit the reform and will prevent it from obtaining the expected results and might lead to increased levels of corruption.	Pressure on the government by the donors to put particular emphasis on this aspect of the PFM reform. Inclusion of activities aimed at strengthening aspects of public participation, transparency and accountability in local planning, budgeting and monitoring of development activities. As an additional measure, Value for Money studies will be conducted annually to follow the decentralised public infrastructure projects financed through the Decentralisation Thematic Programme.	<b>Major</b>
P5	The government, more particularly the ministry in charge of the reform, does not show sufficient leadership and coordination, leading to the reform being implemented in a piecemeal, fragmented or otherwise distorted way that reduces its traction, reputation, and results.	<b>Unlikely</b>	With the recent changes in the ministries' portfolios there is hope that the DGCT will be better able and more inclined to play its leading role in the reform.	<b>Major</b>	Implementing the reform in a balanced way - which requires proactiveness, ensuring the intervention of several ministries, coordinating the donors, etc. - is important in order to ensure the required speed and adequacy in the establishment of the conditions of	The programme provides a long term adviser to the ministry who will play a role in alleviating this risk. It is further hoped that an interaction with the direct programme support at regional level will provide important inputs to the reform process on what works and what doesn't.	<b>Minor</b>
P6	The anticipated enhancement in timely transfers of funds to decentralised entities through the ANICT does not materialise.	<b>Unlikely</b>	These transfers have previously proven to be slow but remedial measures have been put in place.	<b>Major</b>	Substantial delays might lead to inability to meet annual and overall targets in service delivery.	Dialogue with the Ministry of Finance and, if needed, reconsider the ANICT modality.	<b>Minor</b>

P7	The implementation capacity of one or more of the partner organisations proves less than foreseen, e.g. due to complicated or slow administrative procedures, vacant positions, etc., causing insufficient outputs and outcomes.	<b>Likely</b>	This risk is likely to be greatest at local government level (communes, cercles and regions) and less pronounced for ANICT. However, the follow up capacity of ANICT is limited, and other donors have been less than satisfied with the outcomes of some of the investments at local government level. In the case of GSB, the change of focus of the Danish support to the Sikasso region,	<b>Minor</b>	In the case of ANICT and the Sikasso Regional Council, the impact on the infrastructures financed (which make up the major part of the funding), is not expected to be fatal, but rather imply that the full benefits from the investments are not achieved.	The presence of programme advisers in the Ministry and in the Sikasso Regional Council is part of the risk response, including for the support to GSB as it will carry out most of its work in the Sikasso Region. The M&E system and the annual Value for Money studies should give information that makes it possible to monitor this risk and take action if needed.	<b>Minor</b>
<b>Conseil Régional Sikasso</b>							
P8	The technical capacity of the Regional Council to implement the programme shows weaker than anticipated.	<b>Likely</b>	The future institutional set-up for decentralisation is not yet fully in place and regional councils still remain relatively weak	<b>Major</b>	Could lead to inability for the regional council to fully play its role and thus to efficiently and effectively implement its development plans	A substantial TA to the regional level is already foreseen, but could be strengthened if needed.	<b>Major</b>
P9	Lack of transparency and accountability in infrastructure service delivery	<b>Likely</b>	Implementation of infrastructure is normally delegated to communes and cercles. Governance quality varies from one entity to another.	<b>Major</b>	This might lead to construction of infrastructure which is under-utilised or poorly managed due to lack of interest by beneficiary communities	Procedures for transparent and participatory planning of investments are part of planned capacity measures by the programme as well as development of adequate accountability procedures. Furthermore, value for money studies are aimed at monitoring of implementation.	<b>Minor</b>
P10	A possible division of the Sikasso region would challenge support to capacity development at regional council level	<b>Likely</b>	For the last decade it has been planned to divide the Sikasso into three regions.	<b>Minor</b>	It would put a serious strain the programme if to work with three separate regional councils both in terms of capacity building, technical assistance and monitoring and evaluation.	A choice would have to be made on the extent to which support can be provided within the programme to three regions and with which type of support and technical assistance. Tentatively the total allocation for investments can be divided among the three regions. The unallocated budget includes a provision to make available additional TA if required.	<b>Minor</b>
<b>Groupe de Suivi Budgétaire</b>							

P11	GSB's work in the Sikasso Region is hampered by lack of transparency of the local authorities (Regional Council, cercles and communes) and lack of willingness to cooperate with GSB.	<b>Unlikely</b>	GSB has already a quite good established relationship with local governments at different levels, working both as a support organisation and as a watchdog.	<b>Major</b>	The whole intervention by GSB is based on the assumption that it will be possible to work with the local governments. Should it not be the case, the impact would be major, and the whole engagement would probably have to be revised.	Dialogue, particularly with the Regional Council, which is a programme partner and therefore likely to be influenceable.	<b>Minor</b>
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P12	The double role of GSB as a support organisation, training elected local government counsellors and staff, and at the same acting as a watchdog, requires a delicate balancing act, which GSB may not be	<b>Unlikely</b>	GSB has worked in this double role in earlier programme phases and has succeeded in being considered a "neutral" outside organisation, not identified as part of the governing structures.	<b>Major</b>	If GSB should be considered part of the political establishment, it would lose its role as a watchdog, monitoring good governance and good use of the funds.	Monitoring of the GSB activities through the established M&E system and continuous dialogue with GSB.	<b>Minor</b>
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### Institutional Risks

	Risk factor	Likelihood	Background to assessment of likelihood	Impact	Background to assessment of potential impact	Risk response	Combined residual risk
11	Danish funds get associated with mismanagement and corruption in one of the partner organisations, leading to reputational damage.	<b>Likely</b>	During a 5-year multi-partner programme involving significant sums to be spent in a complex institutional setting with partly unclear distribution of roles and insufficient control mechanisms it is highly likely that at least one major case of mismanagement occurs.	<b>Minor</b>	The programme needs not be hurt in general terms, however some reputational damage could occur in Denmark that might force programme re-design in a less aligned direction, to the possible detriment of effectiveness.	Good and strict follow-up on the part of the Embassy and M&E set-up to seek to prevent such problems	<b>Minor</b>
12	Denmark due to its high profile in the decentralisation reform, including its advisory role in the ministry in charge of the reform, gets associated with deficient reform implementation, leading to reputational damage.	<b>Unlikely</b>	Even with a high profile (advisory presence; possibly donor lead role at some point; alignment champion) Denmark will be a relatively small donor of the reform. Even so, the reputation could suffer both in Mali and Denmark due to the central position of the reform in the peace process.	<b>Minor</b>	Possible reputational damage in Mali should not be able to hurt the continuation of the programme much. Reputational damage in Denmark might force programme re-design.	Flexibility in the mandate of TA to address emerging issues. Intensive dialogue with the government, preferably jointly with other donors.	<b>Minor</b>

Title: **Peaceful Coexistence and Reconciliation**

### Programmatic Risks

	Risk factor	Likelihood	Background to assessment of likelihood	Impact	Background to assessment to potential impact	Risk response	Combined residual risk
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P13	Peace agreement derailed by "outside spoilers" that have not been represented in the negotiations or with an agenda that is not favouring the peace process.	<b>Likely</b>	The period after the signing of the Peace Agreement has been marred by an increase in the number and gravity of violent attacks. Furthermore, there has been an increase in criminal activities (drugs, weapons, human trafficking etc.) in conflict affected areas. These groups with no interest in a return to the state of law seem to have grown in presence, strength and influence and it is considered likely that they have the capacity to derail the peace	<b>Major</b>	Security threats prevent concrete improvements through development initiatives, which are essential to build confidence in the peace agreement on one hand and adversely affect access to some areas.	The Humanitarian Dialogue Engagement includes key players at community level. There is a particular activity on engaging religious leaders to prevent further radicalisation. Also the MINUSMA quick impact projects aims at reducing the room for "spoilers".	<b>Major</b>
<b>FAMOC</b>							
P14	FAMOC partners have a lower absorption, implementation, financial management and monitoring capacity than expected and fail to have an impact beyond their immediate beneficiaries.	<b>Likely</b>	Experience from the EU PAOSC support shows that management and absorption capacity of emerging organisations is limited in many cases.	<b>Major</b>	The effect would mainly lead to less effective implementation of planned activities.	The FAMOC Fund Manager will make an assessment of especially management and financial capacity before funds are approved and strengthening of capacity of partner organisations is part of the Fund Managers scope of work. During implementation, the Fund Manager will disburse according to partners' performance.	<b>Minor</b>
P15	Expectations of marginalised groups targeted by the programme, especially among youth, are not met and increases the feeling of despair and frustration.	<b>Likely</b>	This risk is to some extent linked to the risk above, i.e. to the capacity of FAMOC beneficiary organisations.	<b>Major</b>	Failure to enhance inclusion of youth in societal affairs and poor ability of the State to involve youth could lead to an increased feeling of frustration among youth thus increasing the risk of migration and radicalisation.	A rigorous monitoring of the utilisation of funds by implementation institutions will be done. The FAMOC Manager will prepare a communication manual to manage the expectations of beneficiaries. Furthermore, the decentralisation reform process is expected to open new spaces for youth to participate more directly in decision making processes while support to emerging initiatives by CSOs will allow to prepare youth to play a more active role and building	<b>Minor</b>
<b>MINUSMA</b>							

P16	Poor participation, reception and maintenance of infrastructures and the implemented initiatives due to a lack of local ownership by beneficiaries and the local authorities.	<b>Likely</b>	he security situation hampers the presence of the authorities and weakens the mobilization of the population, which in turn weakens the local ownership of projects.	<b>Major</b>	Failure to create local ownership and reach a broad segment of the local population risks limiting the potential impact of projects and risks having counterproductive implications.	Particular attention will be given to the context, including a conflict sensitivity analysis, and the good reception and selection of beneficiaries in the areas of operation. MINUSMA will ensure a community-based consultation has taken place for projects' identification, and that the formal engagement of the local authorities has been obtained. The Embassy will work closely with MINUSMA to ensure profound preparation and selection of project partners funded by the Trust Fund based on the impact assessment that will be carried out. Disbursement tranches	<b>Minor</b>
P17	MINUSMA projects that have been approved cannot be implemented due to a deterioration of the security situation.	<b>Likely</b>	The security situation in the north and center already hampers project implementation and is taken into account during project design. However, a deterioration of the security situation in certain locations might result in that it becomes impossible to implement projects within the set timeframes.	<b>Major</b>	Failure to implement the Peace Dividend Projects is likely to have a major impact on the engagement's ability to contribute to maintaining or increasing the public support in the north and center for the peace process.	Should the security situation deteriorate in locations where projects have been approved, an analysis is to be made on the likelihood of that situation improving rapidly. If it is expected that the situation will not improve within one month, the impacted projects will be put on hold and other projects will be tabled for approval.	<b>Major</b>
	<b>CHD</b>						
P18	Religious leaders resist participating in dialogue and mediation processes, and when they do participate, the communities may not trust them due to suspicion that they are linked to armed groups.	<b>Unlikely</b>	Experience shows that it is possible to get at least part of the religious leaders, particularly at community level, to participate, and that their participation is accepted by the communities. Some religious leaders will not want to participate, either because they fear for reprisals or that they think they will lose power.	<b>Major</b>	If not adequately involved, religious leaders might act as "spoilers".	Continued efforts to keep a dialogue with the different religious currents and their leaders. The programme will further seek to ensure that the network of imams represents all parts of Islam to ensure that a sense of adequate representation in the communities.	<b>Minor</b>



P19	A security degradation leading to inability to operate in conflict prone areas.	<b>Likely</b>	Tensions are already high in the North and the Centre of the country due to e.g. land-use conflicts, corruption, banditism, religious radicalisation, and absence of the	<b>Major</b>	Increased violence and insecurity could limit the ability to access areas outside the urban areas. Monitoring of activities could also be jeopardised.	CHD will deploy local agents on the ground to maintain a capacity to analyse situations on the ground and to mobilise communities.	<b>Major</b>
<b>UN WOMEN</b>							
P20	Continued insufficient political backing for promoting womens' participation in public affairs.	<b>Likely</b>	Despite some recent measures taken to improve women's participation in the political sphere, including through the peace agreement, concrete improvements remain limited up to now due i.a. to the influence of traditional religious groups in policy affairs.	<b>Major</b>	Women will still not play their recognised role in the peace consolidation process and limited results will be achieved in implementing the R 1325 National Action Plan.	Political dialogue and lobbying with political and traditional leaders to promote enhancement of womens' rights and of gender equality.	<b>Major</b>
P21	Continued weak capacity of national institutions responsible for the R 1325 National Action Plan.	<b>Likely</b>	Current capacity of government institutions in this area is particularly weak.	<b>Major</b>	Management and monitoring of the national action plan will be inadequate leading to lack of results and a weak national ownership of the	Based on an institutional diagnostic, capacity of the ministry in charge of children and family affairs will be strengthened.	<b>Minor</b>
P22	Lack of adherence to and ownership by beneficiaries to programme activities and approaches.	<b>Likely</b>	The programme will develop and test new technologies and approaches which seek to match the different contexts in Mali.	<b>Major</b>	If beneficiaries do not accept the suggested approaches, achievement of results will remain limited within the framework of the engagement.	Choice of implementation partners with a similar vision as the programme and with extensive experience in working with communities. Setting up of mechanisms to capitalise on good	<b>Minor</b>

### Institutional Risks

	<b>Risk factor</b>	<b>Likelihood</b>	<b>Background to assesment of likelihood</b>	<b>Impact</b>	<b>Background to assesment of potential impact</b>	<b>Risk response</b>	<b>Combined residual risk</b>
13	Demark's reputation may suffer in the event that the reconciliation and transitional justice process loses legitimacy in the opinion of the Malian population. This may be triggered by one or several of the events identified under programmatic risks, including indirect political pressure or direct political	<b>Likely</b>	This risk is likely in a context where the dissatisfaction with the attention given to the problems in the North seems to be growing among the 90% of the population living in the South. Signs of this risk has already been seen as groups who have not signed on to the Peace Accord have complained that the process is not	<b>Major</b>	If this risk materialises, the vision and fundamental strategies underlying the country programme might be questioned and the programme hindered in fully achieving its objectives	Denmark is sharing this risk with other donors as well as with the Government.	<b>Major</b>

Date of assessment:

**Planned date for first assessment:**

**Date of assessment:** 22-December-2016

Deviations from original assessment: Follow-up:

Date for next assment: December 2017

**Date of assessment:**

Deviations from original assessment:

Follow-up:

Date for next assment:

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Deviations from original assessment:

Follow-up:

Date for next assment:

**Date of assessment:**

Deviations from original assessment:

Follow-up:

Date for next assment:

**Date of assessment:**

Deviations from original assessment:

Follow-up:

Date for next assment:

## Annex F: Response to summary of appraisal recommendations

The final appraisal report<sup>1</sup> must include this table summarising the recommendations regarding the further preparation of the Country programme. Only major recommendations of the appraisal report requiring action from the Danish Mission must be specified in the left column below, and the table must be signed by the appraisal team leader (KFU representative and received by the Danish Mission no later than 14 days after the end of the appraisal process. "N.a." is indicated in case there are no recommendations regarding the issue concerned.

The right column is filled in by the Danish Mission, when the final country programme document and development engagement documentation have been prepared, and the table must be forwarded to the Under-Secretary for Global Development and Cooperation and KFU as soon as possible, and no later than six weeks before the planned presentation of the Country programme to the External Grant Committee, i.e. two weeks before the request for inclusion of the country programme on the External Grant Committee's agenda is forwarded to KFU.

<b>Title of (Country) Programme</b>	<b>Denmark-Mali Partnership, Country Programme 2017-2022</b>
<b>File number</b>	<b>2016-37026</b>
<b>Appraisal report date</b>	<b>December 2016</b>
<b>Grant Committee meeting date</b>	<b>February 2017</b>
<b>Summary of possible recommendations not followed</b> (to be filled in by the Mission)	
The Embassy endorses and has followed all the recommendations.	

<sup>1</sup> This table is only mandatory for programme support appropriations when TAS/KFU is involved in the appraisal, but may also be useful in smaller instances of programme support, when the appraisal is undertaken by external consultants.

## Overall conclusion of the appraisal

The main conclusion of the appraisal of the Country Programme is that it is well prepared and it is recommended to be presented to the Grant Committee of Danida in February 2016, taking into account the observations and recommendations made in the appraisal report. The recommendations include only relatively slight modifications as the programme reflects a well-managed preparation process involving good involvement of the proposed partners resulting in a programme documentation that is generally of good quality.

It is however important to be aware that the implementation of the programme will be submitted to a number of major risks that will have to be accepted, mostly due to the very difficult and volatile Malian context that is likely to persist over the programme period. The programme reflects well the current context of Mali, responding to key challenges faced by the country in the immediate and short term (exit from the crisis, reconciliation) as well as in the longer term (reform of the state, economic growth), while aligning with the relevant policies and strategies of Mali and Denmark. The programme has been prepared and will be implemented in a context of instability and low predictability. Moreover, the current Malian context is characterized by a rather limited presence of partners with sufficient capacity for implementation. The programme seeks to address this situation in two ways.

First, it has a certain degree of flexibility. This is achieved, among others, through making financial commitments with most of the partners for the first three years only, with the option of extending the partnerships based on a positive assessment at mid-term; through engaging with different types of partners (public at central and decentralized levels, civil society, multilateral organizations and private sector) and by including a significant part of the budget as unallocated funds.

Secondly, the programme envisages close monitoring of the partners in order to manage the important risks associated with the programme in terms of quality of implementation, losses due to corruption and other mismanagement, lack of adaptation of interventions to changes in the context, etc.

It is recognised in this context that the limited accessibility to the northern regions poses a particular challenge to implementation and monitoring, and, as already noted, that even with the abovementioned measures the programme remains subject to very significant risks which, however, are found to be acceptable given the importance of the expected results and desired changes.

The number of development engagements is rather limited and corresponds in an acceptable way to the resources available at the Embassy to manage the programme, although some of the partnerships will require intensive coaching and follow-up from the Embassy.

Recommendations by the appraisal team	Follow up by the Representation
<p><b>1. Country programme Level:</b>  <b>1. Justification and rationale of the country programme, preparation process and strategic linkages between country programme vis-à-vis the country policy document.</b></p>	
<p><i>The incorporation of climate change concerns into the thematic programmes is mentioned as one of the strategic choices made by the Embassy in preparing the programme. However, this choice is not reflected in the presentation of individual engagements.</i></p> <p>1.1 Ensure that the climate change concerns are actually taken into account in the development engagements according to the relevance in each of the engagements.</p>	<p>The Embassy in consultation with the engagement partners have now reviewed and updated the DEDs so that they reflect how climate change considerations will be taken into account.</p> <p><i>It should be noted, however, that the programme document states that the incorporation of specific climate change adaptation technologies will be pursued during the design of the next phase of support to private sector development.</i></p>

<p><i>Gender equality aspects are not well reflected in all of the development engagements. It is therefore necessary to ensure, during discussions with the partners, that this aspect is given the necessary importance in the implementation and follow-up of the activities envisaged.</i></p> <p>1.2 Ensure that gender equality is taken into account in the individual engagements and in the follow-up and reporting of partners to the Embassy.</p>	<p>The Embassy has discussed with the engagement partners how gender equality can be taken even more into account and subsequently updated the DEDs to ensure that they better reflect actions in this regard.</p> <p>In addition, the Embassy will be pro-active in terms of further stimulating the awareness of gender equality among certain partners where the need seems to be most pressing, including through recommending partner representatives for courses at the Danida Fellowship Centre.</p>
<p><b>2. Theory of change, objectives and results framework</b></p>	
<p><i>Suggestions by the appraisal team i.a. include how to make the assumptions linked to the theories of change more realistic. They also focus on the consistency of the intervention logic and on the formulation of results at different levels, and on the quality (measurability, relevance, etc.) of certain indicators contained in the results frameworks.</i></p> <p>2.1 Revise some elements of the theories of change and the results frameworks as suggested in the appraisal report.</p>	<p>The Embassy has followed the recommendation of the Appraisal Team. This means that the Embassy has replaced the original Theory of Change with the one recommended by the Appraisal Team, and made the recommended changes to the results frameworks.</p>
<p><b>3. Adherence to the aid effectiveness agenda</b></p>	
<p><i>The north of the country presents a particular challenge in terms of monitoring activities due to its very limited accessibility. In order to address this problem in part and mitigate the associated risks, it is essential to ensure the best possible coordination among partners supporting interventions in the North, also in relation to the nexus between humanitarian aid and development cooperation.</i></p> <p>3.1 Keep updated on activities supported by other development partners in the North within the areas covered by the Danish country programme, e.g. through participation of the Embassy in the Commission for Rehabilitation in Post-conflict Zones.</p>	<p>The Embassy has updated the programme document with the sentence below to reflect this recommendation.</p> <p><i>“In terms of donor partners, the Embassy will pursue regular participation in key fora concerned with peace and reconciliation at both policy- as well as the more practical implementation level. The aim will be to stay informed about key developments in the larger policy context as well as in the more immediate implementation context. This may include participation in the MINUSMA-led ad-hoc working group concerned with the reconstruction of the north as well as the more permanent thematic working group concerned with democracy and civil society.”</i></p>
<p><b>4. Country Programme management</b></p>	

<p><i>Elements to be added regarding programme management include, inter alia, the coordination mechanisms between thematic programmes and development engagements; the mechanisms and frequencies of meetings between partners and the Embassy; clarifications at development engagement level of requirements to audits; etc.</i></p> <p>4.1 Further develop issues related to programme management in the country programme document as discussed during the appraisal mission and suggested in the appraisal report.</p>	<p>The Embassy has added the requested aspects in the updated version of the programme document.</p>
<p><i>The appraisal team agrees that the issue of conflict sensitivity is essential in the Malian context and that expertise in this area should be made available to the partners. However, the manager of the FAMOC would already have such expertise and may be asked to make it available to the other partners, whereas it seems less appropriate to integrate this into the ToR of the monitoring and evaluation team.</i></p> <p>4.2 Omit the "conflict sensitivity" aspect included in the TOR for the monitoring and evaluation team and consider integrating this aspect into the TOR of the FAMOC fund manager as an expertise available for all country programme engagements as needed.</p>	<p>The Embassy has followed the recommendation and the updated documentation now reflects this.</p>
<p><i>Given the uncertainties about the implementation capacity of some engagement partners it would be appropriate to undertake targeted technical reviews to prepare the mid-term review of the country programme, during which decisions will be taken regarding the continuation of partner funding.</i></p> <p>4.3 Undertake in-depth technical reviews of selected development engagements in preparation for the mid-term review, in addition to the activities envisaged in the TOR of the monitoring and evaluation team and in coordination with the activities of the real time evaluation team.</p>	<p>The Embassy has incorporated the idea of fielding technical reviews prior to the Mid-Term Review in the programme document under the monitoring section of both thematic programmes. The amount of unallocated funds in both 2018 and 2019 will make sure such technical reviews are possible.</p>
<p><b>5. Country Programme budget</b></p>	
<p><i>Unallocated funds represent 18% of the overall budget. This is considered an acceptable level given the need for flexibility in the country programme due to the relatively high overall risk level in the current context. However, it should be ensured that these funds are programmed early.</i></p> <p>5.1 Decide on the allocation of unallocated funds at the latest at the mid-term review.</p>	<p>The Embassy agrees with this recommendation and will take steps to ensure that the majority of the unallocated funds will be programmed at the latest at the mid-term review.</p> <p>In addition, the Embassy has further reduced the amount of allocated funds so that it now only represents 13% of the total budget.</p>
<p><b>6. Identified risks and risk management</b></p>	

<p><i>Although the appraisal finds that the risks identified, their significance and the mitigation strategies proposed in the risk management matrix are broadly relevant, the report does suggest some modifications and re-evaluations.</i></p> <p>6.1 Revise the risk management matrices as suggested in the appraisal report.</p>	<p>The Embassy has updated the Risk Management Matrix so that it now reflects the suggestions of the Appraisal Team.</p>
<p><b>7. Thematic Programme Level: Peaceful coexistence</b></p>	
<p><b>Engagement Level: Support to Fonds d'Appui aux Moteurs du Changement (FAMOC)</b></p>	
<p><i>The FAMOC results framework will need to be revised before the start of implementation. Also, the National Human Rights Commission (CNDH), which has recently been reconstituted as an independent institution by a new law, is significantly different from the priority target group of the FAMOC (youth and marginalised groups). If the results framework reflects this, the CNDH can still be retained under the FAMOC, with the manager of the FAMOC remaining in charge of the partnership with the CNDH.</i></p> <p>7.1 Revise the FAMOC results framework once the fund manager and the monitoring and evaluation team is in place; and separate the support to the CNDH from the rest of the FAMOC partnerships within the results framework adding a second outcome and related outputs.</p>	<p>The Embassy has taken this recommendation into consideration and created a second outcome with outputs for the FAMOC encompassing the support to CNDH. This is reflected in the updated documentation.</p> <p>A further refinement of the results framework for the FAMOC engagement is foreseen to take place once the FAMOC manager has been contracted and in consultation with the M&amp;E Technical Assistance.</p>
<p><b>Engagement Level: Support to United Nations Multidimensional Integrated Stabilization Mission for Mali (MINUSMA)</b></p>	
<p><i>Current monitoring and evaluation of projects implemented by MINUSMA ends at the time of official transfer of projects to local communities. As a result, limited information is available on the effect of the projects in contributing to maintaining public support for the peace process, although this is the objective of the Peace Dividend Projects. The proposed evaluation will address this issue and provide information on the ownership and appreciation by local communities of the support.</i></p> <p>7.2 Commission an external evaluation of the "Quick Impact" and "Peace Dividend" projects already implemented by MINUSMA in consultation with MINUSMA and its partners.</p>	<p>The Embassy has discussed this with MINUSMA and the recommendation has been adopted and included in the updated DED.</p>
<p><b>Engagement Level: Support to Centre for Humanitarian Dialogue (CHD)</b></p>	

<p><i>The appraisal finds that the cost of the CHD intervention is very high given the activities to be undertaken in relation to most of the intended results. Increased transfer of skills to Malian nationals will help to rectify the cost-benefit ratio and improve local capacity in this area.</i></p> <p>7.3 Once the CHD has proposed a revised results framework and a budget based on outputs, the Development Engagement Document should be revised accordingly, including the budget.</p> <p>Also, during the implementation, undertake consultations with CHD to agree on a gradual reduction of international experts and administrative support and to increase the number of Malian staff with the financial means thus made available in order to ensure that skills and know-how are transferred.</p>	<p>The Embassy has revised the results framework together with CHD and an output-based budget is under preparation by CHD based on the guidance provided by the Appraisal Team.</p> <p>Although the Embassy in principle appreciates the Appraisal Team's proposal of transferring skills to Malian nationals to reduce intervention costs, the Embassy needs to point out that the nature of CHD's work where neutrality and impartiality to on-going conflicts places clear limits to this strategy. It is key to the success of CHD's work that the parties to the conflicts in which CHD mediates see CHD's representatives as neutral and impartial. This means that there are a number of tasks that local staff simply cannot perform because they – by virtue of being Malians – not will be seen (by parties to the conflict) as impartial and objective.</p> <p>Due to the above, it is not envisaged to transfer more responsibilities from CHD's headquarters to its representation in Mali. It should also be noted that more than half of the Bamako office is made up of Malian staff and the current Head of Mission is also Malian.</p>
<p><b>Engagement Level: Support to UN Women</b></p>	
<p><i>The Development Engagement Document, including its outcome indicators, does not focus sufficiently on the component of the UN Women country programme that aims at supporting the Malian National Action Plan for implementing the Security Council Resolution 1325 on women's role in peace and conflict.</i></p> <p>7.4 Carry out an in-depth revision of the Development Engagement Document with UN Women with a view to making it more precise and, as far as possible, with a view to better defining the results framework (which should be limited to UN Security Council Resolution 1325) based on which performance will be assessed.</p>	<p>The Embassy has adopted this recommendation and has thoroughly revised the DED in collaboration with UNWOMEN.</p>



<p><i>The ability of UN Women to develop action plans and results frameworks to guide implementation appears limited. Technical assistance to UN Women will be required to ensure the implementation of SCR 1325, as well as for monitoring of activities.</i></p> <p>7.5 Focus the TOR of the expert who will be attached to UN Women through Danish funding, on the support of UN Women to the implementation of the national plan for SCR 1325 and include a close monitoring role of the expert in relation to this support.</p>	<p>The Embassy has adopted this recommendation and has revised the TORs to reflect the recommended skills.</p>
<p><i>An external evaluation of the progress achieved in implementing the National Action Plan for SCR 1325, supported inter alia by UN Women, would be complementary to technical assistance and would ensure an even closer monitoring of the performance of the partner.</i></p> <p>7.6 The funding of UN Women should include support for undertaking an external evaluation of the implementation of the national plan for implementation of SCR 1325 and the support of UN Women in this regard. The evaluation should be commissioned by UN Women in consultation with the Embassy and the Ministry for Advancement of Women. The evaluation could take place in 2018, after completion of the national plan by the end of 2017.</p>	<p>The Embassy has adopted this recommendation and it is now reflected in the updated DED.</p>
<p><i>Other donors providing core funding to UN Women are aware of the need to accompany and closely monitor UN Women. Sweden and Belgium are interested in developing a joint donor approach in this regard.</i></p> <p>7.7 Ensure close coordination of the Danish support with institutional support to UN Women from Sweden and other development partners, establishing as far as possible a joint approach to monitoring and strategic dialogue.</p>	<p>The Embassy agrees with this recommendation and the programme documentation has been updated to reflect the pursuit of a close dialogue with other donors and a common approach to monitor and assess progress. One element in this approach will be that UN-Women has agreed to organise joint bi-annual progress meetings to keep donors updated on progress and adjustments necessary. This will include briefings on the progress in the National Action Plan on 1325.</p>
<p><b>8. Thematic Programme Level: Decentralisation</b></p>	

<p><i>Concerning the Technical Adviser for the Ministry for Decentralisation (MATDRE), it will be useful to define a certain number of areas of work in order to ensure complementarity with the other TAs in the Ministry and to be able to create a coordination body for these TAs. Concerning the TA for the Regional Council in Sikasso, the option of replacing the planned long term TA with a series of shorter visits should be explored, still in combination with short term TA.</i></p> <p>8.1 Provide clarifications to the TOR of the TA to the Ministry of Decentralisation and to the Regional Council of Sikasso as suggested in the appraisal report.</p>	<p>The Embassy acknowledges the recommendation but would like to insist on having a permanent TA in Sikasso until the point when the capacity of the regional Council has been assessed and a plan for strengthening the capacity has been developed. At this point the embassy would be able to make a more qualified decision in this regard. As for the ministry the embassy has adopted the recommendation.</p>
<p><i>A mechanism for carrying out value-for-money audits in relation to the decentralisation support is envisaged. It is desirable to make these audits a routine tool of the Ministry for Decentralisation rather than an external and unsustainable means of control.</i></p> <p>8.2 Consider the transfer of the Embassy's value-for-money audit mechanism to the Ministry for Decentralisation following the mid-term review, ensuring training of relevant staff.</p>	<p>The Embassy has adopted this recommendation and it is reflected in the updated documentation.</p>
<p><i>The EU has set up a system (TOR, approach, procedures, reports) quite similar to the value-for-money mechanism envisaged under the decentralisation support. It will be useful to rely as much as possible on this experience.</i></p> <p>8.3 When finalising the ToR for the value-for-money audits, draw as much as possible on the EU-supported “external control” system which was funded up till 2015.</p>	<p>The Embassy agrees with the recommendation. The ToR will be finalised after the DED has commenced. This will allow for the involvement of the Advisor to be recruited and the Ministry as well as for consultations with other key partners (including the EU). The approach will help ensure ownership of both VfM studies as a tool as well as the findings they will be generating. The approach will also ensure that the final ToR fully takes into account the approach and methodology applied by the EU as well as the lessons learned.</p>
<p><b>Engagement Level: Support to the regional council in Sikasso</b></p>	
<p><i>If a performance element is introduced in relation to the support to the Regional Council in Sikasso, this could be linked to the level of revenues mobilised by the Regional Council. A criterion linked to the staffing of the Regional Council could be added in order to ensure that necessary recruitments are made to support the capacity of the Regional Council in performing its mandates.</i></p> <p>8.4 Consider the introduction of a performance element in the criteria for disbursements to the Regional Council in Sikasso ("matching grant") from 2018 or 2019.</p>	<p>The Embassy agrees with the principle of providing clear incentives for improving performance. However, as also realised during the appraisal mission this is easier said than done. Care must be taken to avoid providing incentives that stimulates decisions and actions that pull the organisation in the wrong direction. The Embassy is for and will consider introducing a performance element, but will await the arrival of the TA and the finalisation of an institutional capacity development plan in order to ensure that performance elements are based on thorough reflections and will contribute to the achievement of institutional goals.</p>

<p><i>In accordance with a law from 2012, the region of Sikasso may be divided into three new regions some time during the implementation period.</i></p> <p>8.5 Introduce a clause in the Development Engagement Document concerning the envisaged division of the region in order to maintain a degree of flexibility in relation to the provision of TA as well as financial support in response to a possible division of the region.</p>	<p>The Embassy has adopted this recommendation by adding the following phrase:</p> <p><i>« Pendant la dernière décennie, il a été prévu de diviser le Sikasso en trois régions. Une éventuelle division de la région de Sikasso remettrait en question le soutien au renforcement des capacités au niveau des conseils régionaux et en termes de renforcement des capacités, d'assistance technique et de suivi et d'évaluation. En cas de division, l'allocation danoise pour les investissements pourrait être répartie entre les trois régions, mais l'assistance technique ne serait pas répartie. Le budget non alloué comprend une disposition prévoyant la mise à disposition d'une assistance technique supplémentaire si nécessaire. »</i></p>
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I hereby confirm that the above-mentioned issues have been addressed properly as part of the appraisal and that the appraisal team has provided the recommendations stated above.

Signed in..... on the .....

Torben Lindqvist  
Team leader/TAS representative

I hereby confirm that the Danish Mission has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in *Bamako*..... on the *9/1 2017*.....

Winnie Estrup-Petersen  
Ambassador/Head of Danish Mission





## Annex G: Terms of Reference for M&E Technical Assistance

24-Jan-2017

### 1. Introduction

These Terms of Reference (ToR) describe a consultancy assignment required by the Embassy of Denmark (EOD) in Bamako, Mali, with the aim of establishing a foundation for effective monitoring of activities implemented under and risks associated with Denmark's upcoming Country Programme for Mali for the period 2017-2022.

### 2. Background

Danida is a learning organisation that strives to achieve results and learn from experiences gained through the bilateral and multilateral development cooperation. Frequent evaluations focus on results in specific programmes and projects, contributing with valuable knowledge to be used in preparation of future programmes and projects. Information on all programmes and projects and their objectives and results is available on [OpenAid.dk](http://OpenAid.dk).<sup>1</sup>

Denmark's bilateral country programme for Mali for the period 2017 to 2022 comprise 3 thematic programmes and 11 subsumed development engagements. The indicative budget amounts to DKK 980 million.

The three thematic programmes in the Country Programme are:

- Peaceful Co-existence;
- Decentralisation; and
- Private sector development.

Each of these thematic programmes consists of engagements with a Development Engagement Document (DED) that presents a justification for the engagement and a description of the engagement's 'Theory of Change', results-framework, risk management matrix, and monitoring arrangements. A country programme document further details the overall M&E framework, including management arrangements to help track performance and respond to changes in the situation and possibly unintended results.

Although the results- and risk frameworks have been developed in close consultation with programme partners, they will need to be updated and refined during the programme inception period, and based on the establishment of baselines, to ensure that outcomes can be effectively measured.

The EOD envisages a results-based monitoring and evaluation system to track progress and performance at programme and engagement levels, with a focus on learning, documenting and communicating results to ensure visibility and transparency towards stakeholders, appropriating

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<sup>1</sup> [Openaid.dk](http://Openaid.dk) is a database with information on objective, results and the status on Danish development assistance. Openaid.dk is constantly updated with the most recent data presenting the latest disbursement-figures. Its aim is to ensure transparency and provide the public with an enhanced understanding of Danish development cooperation.

authorities and the Danish public. The immediate aim will be to facilitate informed and evidence-based decision-making at both engagement-, thematic- and country programme level in the best interest of partners and Denmark.

Although the overall responsibility for monitoring and evaluation of the country programme will rest with the EOD, this M&E Technical Assistance and the M&E arrangements of the selected partners will form part of the overall country programme monitoring and management arrangements. In practice it will not be the EOD, but the engagement partners who will be responsible for creating the results – with Danish support. For this reason it is also the partners who are best placed and responsible for monitoring and reporting the results produced. As a rule, assessment of progress towards expected results takes place in meetings with the participation of the EOD.

Studies and evaluations have confirmed that scientific evidence on what works and what does not is key to improving decision-making processes and to ensure that funds are being used correctly and on the right things. An important objective of this M&E Technical Assistance package is to ensure that all engagement partners have access to the necessary technical advice to strengthen their own M&E capacities while meeting the data, information, and general documentation and reporting requirements of the country programme.

The assignment described in these ToR concerns establishing a foundation for effective monitoring of the country programme and its results during its implementation. As indicated above and described in further details below, key tasks will include the establishment of baselines at programme- and development engagement levels and helping partners develop the capacity to effectively monitor and report on progress and changes in assumptions and key risk factors during the implementation of their engagements. The consultancy is expected delivered over the period starting from April 2017 and ending shortly after the Mid-Term Review expected scheduled to take place in second half of 2019.

### **3. Objectives**

The main objective of the assignment is to establish a functioning country programme monitoring and risk management system that will help improve programme effectiveness, ensure informed decision-making, facilitate the communication of results, enable a learning process, and maximise transparency and accountability.

In pursuit of this objective the consultancy assignment will establish baselines and provide targeted training and technical support to implementing partners during the first 2½ years of the programme thereby contributing a system of accountability and promoting a culture of results-orientation and awareness of the need for documenting and communicating results.

### **4. Recipients**

The main recipients of the services of the Consultant will be the implementing partners with which the EOD have prepared a DED and signed an agreement.<sup>2</sup> The Consultant will be responsible for helping these implementing partners strengthen their capacities to monitor activities, manage risks, generate quality reports on the implementation of the agreed results framework, and ensure visibility and

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<sup>2</sup> A brief summary of each implementing partner is provided in the annex to the Country Programme Document. Copies of the Development Engagement Documents will be provided on request.

transparency towards stakeholders, appropriating authorities and the Danish and Malian public through effective communication of results.

It is the expectation that the Consultant's presence, approach and activities will encourage partners to use M&E findings, learning on which strategies and approaches are more or less effective in different contexts and circumstances, thereby leading to improvements in the quality of their engagements. The partners' access to technical support over the first years of the implementation period is expected to provide the basis for this process; that will be supported by regular progress meetings between the partners and the EOD and information generated by Real-Time Evaluation.<sup>3</sup>

#### **4. Scope of work**

The scope of work includes all activities necessary to achieve the above objective, including, but not necessarily limited to the following:

- a) establish baselines at the development engagement and thematic programme levels;
- b) assess implementing partners' conflict sensitivity, risk management and M&E capacities and practices;
- c) assist partners in the planning and implementation of activities to strengthen their conflict sensitivity, risk management and M&E framework, systems, procedures, and plans;
- d) assist partners in updating their conflict analysis, results- and risk management frameworks;
- e) prepare and present to the EOD a Communication Plan for the effective promotion of the public's (Malian and Danish) knowledge of the country programme and results;
- f) assist partners in collecting, analysing and summarising information and ensuring the timely submission of progress reports, including the reporting of expenditures as compared to output-based budgets;
- g) assist partners in preparing for meetings on and communication of progress and performance, including the preparation of agenda, supporting documentation such as financial and physical progress reports, infographics, presentations, and minutes of meetings;
- h) facilitate the conduction of the Mid-Term Review by preparing a Status Report presenting the progress of the country programme vis-à-vis targets in the results framework, developments in risk factors, and an assessment of the capacities and performance of partners in relation to risk management and monitoring and evaluation; and
- i) facilitate a smooth completion of assignment and exit by helping partners formulate an M&E plan for the remaining programme period and key actions to further strengthen their performance.

#### **5. Methodology and process**

The assignment is tentatively divided into the following phases:

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<sup>3</sup> The Evaluation Department of the Ministry of Foreign Affairs envisages that its Real-Time Evaluation will focus on following three engagements, namely: the Fund for Reconciliation and Resilience of Civil Society (FAMOC); the Centre for Humanitarian Dialogue; and the support for the decentralisation process through the Regional Council in the Sikasso region.

- Inception phase: comprising desk review of all relevant documents, consultation and interaction with partners and the EOD, and the completion of activities a) to e) in the section (4) above. Key deliverables during this phase will be outputs a) to g) listed in section (5) below;
- Capacity building phase: concerned with the implementation of the Consultant’s Action Plan to strengthen partners’ capacities which may comprise training-, coaching and other technical support activities such as reflected in points f) and g) in section 4 above. During this phase regular meetings with the EOD will be used to discuss progress in the implementation of the Consultant’s Action Plan, the status of the Communication Plan, as well as any issues relating to the performance and reporting of partners. This may include assistance with the preparation for technical reviews, if required.
- Status Documentation phase: a concentrated phase concerned with paving the way for an effective Mid-Term Review by ensuring the availability of updated information on progress at all programme levels; status of developments in risk factors; and the performance of partners in relation to risk management, monitoring and reporting, and the communication of results.
- Completion and exit phase: concerned with assisting partners in updating their M&E and Communication Plan and the preparation and submission, engaging with the Mid-Term Review Team, and the preparation and submission of the Consultant’s Completion Report.

Table 1 below indicate the tentative duration of the above phases.

**Table 1: tentative key phases in the assignment and their tentative duration**

Phase	Start	End	Duration (months)
1-Inception	01-May-2017	30-Aug-2017	4
2-Capacity Development	01-Sep-2017	30-Jun-2019	22
3-Status Documentation	01-Jul-2019	30-Jul-2019	1
4-Completion and exit	01-Aug-2019	30-Oct-2019	3
Total			30

In order to achieve the expected results, the Consultant will need to apply a participatory approach throughout the assignment. This means that the Consultant’s team will need to fully engage the implementing partners and to the extent possible consult the intended beneficiaries on what change is required through interventions as well as usefulness of services and products delivered through the development engagements. In the cases where TA or advisory services already are associated with the engagements (such as in the case of the Regional Council in Sikasso), the Consultant will be expected to pursue coordination, integration and synergies with other capacity development efforts.

## 5. Expected outputs

The list below presents key outputs expected delivered during the Inception phase (first four months) of the assignment:



- a) Inception Phase Action Plan with a fully elaborated approach, detailed work plan for the inception phase, an overall work plan for the capacity development phase, proposed reporting formats, and detailed budget for the inception phase;
- b) Baseline Report presenting a baseline for the country programme's objectives, outcomes and outputs as well as annual targets, and presenting an analysis of the conflict along with indicators to measure developments in conflict situations;
- c) Communication Plan identifying activities, results (outputs, outcomes, signs of impact), and opportune moments and events, that can be used to increase the public's (Danish and Malian) knowledge of the Country Programme, and describing who should be provided with what specific information, when the information should be delivered, and what communication channels should be used to deliver the information;
- d) Capacity Assessment Report presenting the results of the assessment of partners' M&E and risk management capacities,
- e) Capacity Development Action Plan presenting the Consultant's strategy and actions to strengthen partners' M&E capacities and the Key Performance Indicators (KPI) that will be used to monitor and communicate progress in the implementation of the plan as well as in the performance of partners;
- f) Updated Results Framework presenting the Country Programme Results Framework updated with baseline information and revised indicators and targets (if required); and
- g) Updated Risk Management Framework presenting an updated Country Programme Risk Management Framework.

Following the successful delivery of these outputs, it is expected that the Consultant during a capacity development phase (the following 22 months of the assignment) will implement the proposed action plan to strengthen partners' capacities. During this period the Consultant will produce half-yearly progress reports summarising progress vis-à-vis targets in the action plan and updates on the work plan and budget for the upcoming six months' period. These progress reports and updated work plans and budgets will be submitted to the EOD and serve as the key documentation for six-monthly progress meetings with the EOD.

Towards the end of the assignment, the Consultant is expected to scale back its technical support to partners and focus on compiling a country programme status of progress report that will serve as the basis for the Mid-Term Review scheduled for second half of 2019. During the final months of the assignment, the Consultant will focus on helping partners update their M&E plan, including their plans for documenting and communicating results, and on producing the Consultant's Completion Report.

## **7. Team**

The Consultant as a firm is required to have a minimum of 10 years of specialised experience related to working with monitoring and evaluation, risk management in relation to projects and programmes, and a demonstrated ability to develop M&E and risk management capacities at individual, entity and systems level in developing countries.

Preference will be given to Consultants with a demonstrated ability to link M&E with policy and programme learning and improvements to create and effectively communicate sustainable results.

The Consultant's team is expected to include the following positions:

**Table 2: Key positions in Consultant's Team**

#	Position	Category	Focus areas	Duration (months)
1	Team Leader and M&E Expert	IV	Overall planning and management of the assignment and liaison with the EOD and partners and plan implementation, progress reporting, performance reviews, communication of results.	22
2	M&E Technical Specialist	III	Baseline, capacity assessment, action plan, results-framework, risk management framework, performance standards, progress and performance analysis, Status of Progress Report	6
3	M&E Capacity Building Expert	III	Training needs assessment, action plan, training and coaching activities, partner performance goals and indicators, communication.	6
4	Financial Management Expert	III	Capacity assessment regarding financial management and reporting, and preparation of action plan, analysis of financial and physical progress, Status of Progress Report. Input to the development of ToR for VFM audits.	4
5	Pool of short-term TA ( <i>Minimum Category II</i> )	II	Covering the above areas as well as conflict sensitivity analysis and capacity building for the application of conflict sensitive approaches to development activities.	6
<b>Total</b>				<b>44</b>

Although the above focus areas and duration are subject to change in consultation with the EOD, they will serve as the basis for the evaluation of proposals received.

The expected minimum qualifications and experience for each of the first four positions above are presented in Appendix 1.

## **8. Duration of the assignment**

The duration of the assignment is for a period of 30 months (starting from 1<sup>st</sup> May 2017 and ending 31st July 2019).

Progress and performance review meetings with the EOD are tentatively expected to take place:

- after 6 months (October 2017);
- beginning 2018 (February 2018);
- mid 2018 (July 2018);

- beginning 2019 (end January 2019); and
- mid 2019, in preparation for the Mid-Term Review (June/July 2019).

Continuation of the assignment will be subject to satisfactory performance.

**7 List of reference documents**

#	Document	
1	Denmark-Mali Country Policy 2016-2021	
2	Denmark-Mali Country Programme Document, 2017-2022	

## **Appendix 1: Summary of minimum qualifications for key positions**

### **#1: Team Leader and M&E Expert (22 months; Category IV)**

The Team Leader will be the overall responsible for the day-to-day management of the team, for ensuring that the team performs in relation to the assignment, and for reporting and liaison with the EOD. A key responsibility in this regard will be the preparation of adequate background documentation for the Mid-Term Review of the Country Programme, including the preparation of a Status of Progress Report. A tentative input of 22 months over the 30 months duration of the assignment is foreseen.

*General Qualifications:* Master degree in social studies, social sciences, statistics, management or a related field with specific qualifications in the field of monitoring and evaluation. A minimum of 15 years of relevant experience in senior management or program management positions, including at least 5 years of professional experience working with results-based management, monitoring and evaluation, and risk management. Documented experience in working with international standards and criteria for the monitoring of and reporting on official development assistance. Post-graduate courses related to conflict analysis and working with conflict sensitivity will be considered an advantage.

*Adequacy for the assignment:* Previous experience with the development of capacities for results-oriented monitoring and evaluation of development programmes/projects, for the management of associated risks, and for the effective communication of results towards stakeholders and the general public. Documented working experience with the application of Danida's Aid Management Guidelines in general and the concepts, standards and guidelines relating results-orientation, Theory of Change, and risk management in Danish bilateral development assistance in particular. Practical experience from participation in appraisal, review and/or evaluation of Danish funded development programmes will be an advantage. Proven experience as a team leader in multi-cultural and multi-disciplinary settings. Efficient in meeting commitments, observing deadlines and achieving results will be required.

*Experience in the Region and language:* Minimum 1 year professional work experience from West Africa, preferably Mali. Strong oral and written French language skills and a good command of English.

### **#2: M&E Technical Specialist (6 months, Category III)**

The primary responsibility of the M&E Technical Specialist will be the establishment of baselines in close cooperation with the implementing partners, assistance with the assessment of partners' capacities, the updating of results- and risk management frameworks, support to partners in the preparation of M&E plans, and support to setting performance standards and developing the Consultant's action plan. A tentative input of 6 months over the 30 months duration of the assignment is foreseen. The tentative input of 6 months is primarily envisaged used during the inception phase, although a minor input may be required during the inception and status documentation phase.

*General Qualifications:* A master's degree in public administration, sociology, business management, political science, financial management, statistics or other relevant field with specific qualifications in the field of monitoring and evaluation. Advanced certificate in M&E or statistics will be an added advantage. A minimum of 10 years professional experience working with development programmes

and projects, including 3 years practical experience with M&E systems and results frameworks for international development programmes and projects, including performance indicators.

*Adequacy for the assignment:* Substantial practical experience from working with the design and implementation of surveys, monitoring and management information systems in a project context, and with the application of participatory approaches to the preparation of baselines, results-frameworks, M&E plans, and organisational performance indicators. Experience in data management, analysis and reporting, developing and refining data management collection tools, data quality assessments and oversight, and in the design of training activities to M&E staff will be an advantage. Knowledge of Danida's Aid Management Guidelines and the concepts and standards relating to risk management, monitoring and reporting will be an advantage.

*Experience in the Region and language:* A minimum of 1 years professional work experience from West Africa, preferably Mali. Strong oral and written French language skills.

### **#3: M&E Capacity Building Expert (6 months, Category III)**

The primary responsibility of the M&E Capacity Building Expert will be the assessment of implementing partners' capacities, followed by the joint development of achievable performance standards and targets, preparation of partners' and the Consultant's action plan to strengthen capacities, and assistance with the regular monitoring and reporting on changes in partners' performance in relation to risk management, monitoring and evaluation, reporting and communication of results, hereunder the ability to prepare and report against output-based budgets. The tentative input of 6 months is primarily envisaged used during the capacity development phase, although some inputs may be required during the inception and status documentation phase.

*General Qualifications:* A master's degree in public administration, organisational development, sociology, business management, statistics or other relevant field with specific qualifications in the field of training, capacity development and results-based management. A minimum of 10 years professional experience working with capacity building in a development context, including 2 years practical experience with the strengthening of organisational capacities in relation to monitoring and evaluation functions, including the ability to effectively communicate results.

*Adequacy for the assignment:* Substantial practical experience in the facilitation of organisational capacity development processes, including the conduction of training needs assessments, consulting and training on M&E and areas directly related to results-based management of projects and programmes and the effective communication of achieved results towards stakeholders. Practical experience in the design and/or implementation of M&E systems (including related communication plans and activities) and in the application of methods for ensuring participation in and ownership of capacity building processes will be an advantage. Strong inter-personal and communications skills and excellent proficiency in French is a must. Demonstrated ability to work effectively in a multi-cultural setting to achieve organisational goals.

*Experience in the Region and language:* A minimum of 2 years professional work experience from West Africa, preferably Mali. Excellent oral and written French language skills.

#### **#4: Financial Management Expert (4 months, Category III)**

The primary responsibility of the Financial Management Expert will be to help partners develop the competencies to prepare realistic output-based budgets and financial progress reports that reflect the costs of delivering outputs as compared to budgets. The Financial Management Specialist will also help partners develop the capacities to receive and respond constructively to audits and audit findings, including possible Value For Money audits, with specific actions steps aimed at improving financial management practices. Finally the Financial Management Specialist will assist the team in conducting periodic analysis and providing feedback to partners on progress, and performance vis-à-vis agreed targets and standards. The tentative input of 4 months is envisaged used primarily during the inception and status documentation phase, although some inputs may be required during the capacity development phase.

*General Qualifications:* A degree in accounting, finance, or a related field, with recognised professional accountancy qualification. A minimum of 8 years professional experience working with accounting in a results-based management context, including at least 1 year's practical experience working with M&E and management information systems in the context of donor-funded projects. Specific assignments relating to output-based budgeting and expense tracking will be considered an advantage.

*Adequacy for the assignment:* Practical experience from working with the development of results-based management capacities in general and output-based budgeting and expenditure tracking capacities in particular, preferably in a developing country setting. Practical experience from conducting financial management assessments of implementing agencies, including assessment of capacities for planning and budgeting, management and financial accounting, reporting, auditing, internal control, and information systems. Experience in the application of pedagogical methods and adult learning principles in a teaching/training and communication context will be an advantage.

*Experience in the Region and language:* Experience from minimum 1 professional assignment in West Africa, preferably Mali. Strong interpersonal and communication skills, including fluency in French will be required. Proficiency in English will be considered an advantage.