# AGRICULTURAL POLICY ANALYSIS PROJECT, PHASE II

Under contract to the Agency for International Development, Bureau for Research and Development, Office of Agriculture
**Project Office** Hampden Square, 4800 Montgomery Lane, Suite 600, Bethesda, MD 20814 • Telephone: (301) 913-0500
Telex: 312636 • Fax: (301) 652-3839


# IMPROVING THE EFFECTIVENESS OF AGRICULTURAL POLICY REFORM IN AFRICA: CEREALS MARKET REFORM POLICY IN MALI


September 1993

APAP II
Collaborative Research
Report No. 354

Prepared for

Agricultural Policy Analysis Project, Phase II (APAP II)

and

USAID/AFR/ARTS/FARA

A.I.D. Contract Nos. DAN-4084-Z-11-8034-00 and LAG-4084-C-00-2044



Authors: Ismaël S. Ouédraogo, Abt Associates Inc.
Carol M. Adoum, Abt Associates Inc.



Prime Contractor: **Abt Associates Inc.**, 55 Wheeler Street, Cambridge, MA 02138 • (617) 492-7100

Subcontractors: **Harvard Institute for International Development**, Harvard University, One Eliot Street, Cambridge, MA 02138 • (617) 495-9779
**Food Research Institute**, Stanford University, Stanford, CA 94305-6084 • (415) 723-0693
**North Carolina State University**, Department of Economics and Business, Box 7645, Raleigh, NC 27695-7645 • (919) 515-3107
**Abel, Daft & Earley**, 1410 King Street, Alexandria, VA 22314 • (703) 739-9090
**International Science and Technology Institute**, 1129 20th Street, NW, Suite 800, Washington, D.C. 20036 • (202) 785-0831
**International Food Policy Research Institute**, 1200 17th Street, NW, Washington, D.C. 20036 • (202) 862-5600

## TABLE OF CONTENTS


LIST OF ACRONYMS . . . . . vi

EXECUTIVE SUMMARY . . . . . ix

1. INTRODUCTION AND BACKGROUND . . . . . 1
   - 1.1 Context of Agricultural Sector Reforms in Mali . . . . . 2
   - 1.2 Political System and Liberalization . . . . . 3
   - 1.3 Statement of Specific Reforms to be Analyzed . . . . . 4
   - 1.4 Analytical Framework . . . . . 5
   - 1.5 Outline . . . . . 8

2. MARKET LIBERALIZATION REFORM . . . . . 9
   - 2.1 Initiation Phase . . . . . 9
     - 2.1.1 Coalitions and Mass Political Pressure at the Initiation Phase . . . . 9
     - 2.1.2 Donor-Government Relations at the Initiation Phase . . . . . 10
     - 2.1.3 Political Elite and Factions at the Initiation Phase . . . . . 11
     - 2.1.4 Bureaucratic Interaction at the Initiation Phase . . . . . 11
   - 2.2 Implementation Phase: 1981-1988 . . . . . 12
     - 2.2.1 Coalitions and Mass Political Pressure at the Implementation Phase . . . . . 12
     - 2.2.2 Donor-Government Relations at the Implementation Phase . . . . . 13
     - 2.2.3 Political Elite and Factions at the Implementation Phase . . . . . 14
     - 2.2.4 Bureaucratic Interaction at the Implementation Phase . . . . . 14
   - 2.3 Sustainable Cereal Market Liberalization? . . . . . 15
     - 2.3.1 Coalitions and Mass Political Pressure . . . . . 15
     - 2.3.2 Donor-Government Relations . . . . . 16
     - 2.3.3 Political Elite and Factions . . . . . 16
     - 2.3.4 Bureaucratic Interaction . . . . . 17

3. CEREALS PRICE POLICY REFORM . . . . . 18
   - 3.1 Initiation/Adoption Phase . . . . . 18
     - 3.1.1 Coalitions and Mass Political Pressure at the Initiation Phase . . . . 18
     - 3.1.2 Donor-Government Relations at the Initiation Phase . . . . . 18
     - 3.1.3 Political Elite and Factions at the Initiation Phase . . . . . 19
     - 3.1.4 Bureaucratic Interaction at the Initiation Phase . . . . . 19
   - 3.2 Implementation of Pricing Reform . . . . . 20
     - 3.2.1 Coalitions and Mass Political Pressure at the Implementation Phase . . . . . 21
     - 3.2.2 Donor-Government Relations at the Implementation Phase . . . . . 21
   - 3.3 Political Elite at the Implementation Phase . . . . . 23
   - 3.4 Bureaucratic Interaction . . . . . 24
   - 3.5 Sustained Coarse Grain Pricing: 1987 to Present . . . . . 25

4. REORGANIZATION OF THE *OFFICE DES PRODUITS AGRICOLES DU MALI (OPAM)* . . . . . 26
4.1 Initiation Phase (1978-1982) . . . . . 26
4.1.1 Coalition and Mass Political Pressure at the Initiation Phase . . . . . 27
4.1.2 Donor-Government Relations at the Initiation Phase . . . . . 28
4.1.3 Political Elite and Factions at the Initiation Phase . . . . . 32
4.1.4 Bureaucratic Interaction at the Initiation Phase . . . . . 33
4.2 Implementation Phase (1982-1993) . . . . . 35
4.2.1 Coalitions and Mass Political Pressure at the Implementation Phase . . . . . 36
4.2.2 Donor-Government Relations at the Implementation Phase . . . . . 37
4.2.3 Bureaucratic Interaction at the Implementation Phase . . . . . 42
4.3 Sustainability (1993-?) . . . . . 45
4.3.1 Coalitions and Mass Political Pressure at the Sustainability Phase . . . . . 45
4.3.2 Donor-government at the Sustainability Phase . . . . . 47
4.3.3 Political Elite and Factions at the Sustainability Phase . . . . . 48
4.3.4 Bureaucratic Interaction at the Sustainability Phase . . . . . 49

5. POLICY REFORM AND THE *OFFICE DU NIGER (ON)* . . . . . 51
5.1 Initiation/Adoption (1982-1992) . . . . . 51
5.1.1 Coalitions and Mass Political Pressure at the Initiation Phase . . . . 51
5.1.2 Donor-government at the Initiation Phase . . . . . 53
5.1.3 Political Elite and Factions at the Initiation Phase . . . . . 55
5.1.4 Bureaucratic Interaction at the Initiation Phase . . . . . 56
5.2 Implementation (1993-?) . . . . . 57

6. CONCLUSIONS . . . . . 58
6.1 Summary of Each of the Four Political Themes . . . . . 58
6.1.1 Coalitions and Mass Political Pressure . . . . . 58
6.1.2 Donor-Government Relations . . . . . 59
6.1.3 Political Elite Politics and Factions . . . . . 59
6.1.4 Bureaucratic Interaction . . . . . 60
6.2 Successful and Unsuccessful Elements of Reform . . . . . 60
6.3 Impact of Political Change on Reform . . . . . 65

REFERENCES

APPENDIX A PLATFORMS OF PRMC I, II, AND IV

APPENDIX B CHRONOLOGY OF EVENTS

APPENDIX C PRMC-FUNDED EXPENSES, 1992

## LIST OF EXHIBITS


Exhibit 1.1: Mali: Extent of Economic Decline Before Reforms Selected Economic Indicators, 1972-1980 . . . . . 3

Exhibit 1.2: Analytical Matrix . . . . . 7

Exhibit 1.3: Analytical Phases of PRMC Reforms as of June 1993 . . . . . 8

Exhibit 3.1: Coarse Grains, Paddy and Rice: Target and Actual Official Producer and Consumer Prices (CFAF/kg) . . . . . 20

Exhibit 4.1: Minutes from Technical Committee Meetings . . . . . 38


C

## LIST OF ACRONYMS

| | |
|---|---|
| ADÉMA | Alliance pour la Démocratie au Mali |
| AFR | Bureau for Africa |
| APAP II | Agricultural Policy Analysis Project, Phase II (AID-centrally funded project) |
| ARTS | Office of Analysis, Research, and Technical Support (AID/AFR at AID/Washington) |
| AV | *Association Villageoise* (a village-level producers group) |
| BEC | *Bureau Exécutif Central* (Central political body of UDPM) |
| CCE | *Caisse Centrale de Coopération Économique* (French aid agency) |
| CCIM | *Chambre de Commerce et d'Industrie du Mali* (Chamber of Commerce and Industry of Mali) |
| CESA | *Commission d'Évaluation et de Suivi de la Stratégie Alimentaire* (National Food Security Evaluation and Monitoring Commission) |
| CFAF | *Franc de la Communauté Financière Africaine* (zone Franc currency used by members countries of the West African Monetary Union, convertible with the French Franc at 1 FF = 50 CFAF) |
| CEFODOC | *Cellule de Formation et de Documentation* (OPAM training and documentation unit) |
| CMDT | *Compagnie Malienne des Textiles* (Cotton parastatal) |
| CMLN | *Comité Militaire de Libération Nationale* (Governing military committee set up after the 1968 military coup). |
| CNID | *Comité National d'Initiative Démocratique* (one of several opposition parties in Mali) |
| COC | *Comité d'Orientation et de Coordination* (Set up as counterpart to PRMC Management Committee) |
| DNA-Coop | *Direction Nationale de l'Action Coopérative* (organization of farmers' cooperatives and agricultural extension) |
| DNAE | *Direction Nationale des Affaires Économiques* (agency formerly in charge with enforcement of price regulations) |

| | |
|---|---|
| EEC | European Economic Community |
| EPA | *Établissement Public à Caractère Administratif* (parastatal without commercial activities) |
| EPIC | *Établissement Public à Caractère Industriel et Commercial* (Parastatal with financial autonomy, engaged in commercial activities) |
| FAO | Food and Agriculture Organization |
| FARA | Division of Food, Agriculture and Resources Analysis |
| GRM | Government of the Republic of Mali |
| IER | *Institut d'Économie Rurale* (Agricultural research institute at the Ministry of Agriculture) |
| IMF | International Monetary Fund |
| MADTB | *Ministère de l'Administration Territoriale et du Développement à la Base* (Ministry of Interior and Local Government) |
| MF | Malian Franc (from 1962 to 1984) |
| MDR | *Ministère du Développement Rural* (Ministry of Rural Development, including agriculture) |
| MSU | Michigan State University |
| NCAUR | *Comité National d'Action d'Urgence et de Réhabilitation* (emergency relief agency) |
| ON | *Office du Niger* (irrigated rice development organization) |
| OPAM | *Office des Produits Agricoles du Mali* (grain marketing board) |
| ORS | *Office Riz Ségou* (floating rice development organization at Ségou) |
| ORM | *Office Riz Mopti* (deepwater and floating rice development organization at Mopti) |
| OSRP | *Office de Stabilisation et de Régulation des Prix* (Price stabilization agency) |
| PAM | *Programme Alimentaire Mondial* (World Food Program) |

| | |
|---|---|
| PRMC | *Project de Restructuration du Marché Céréalier* (Cereals market restructuring project) |
| PDG | *Président Directeur Général* (Chief executive officer) |
| ODR | *Organisation de Développement Rural* (integrated rural development organization with geographic focus and emphasis on a key commodity) |
| SSA | Sub-Saharan Africa |
| SNS | *Stock National de Sécurité* (National food security stock) |
| SAP | Structural Adjustment Program |
| SAP | *Système d'Alerte Précoce* (GRM early warning system) |
| SIM | *Système d'Information sur le Marché Céréalier* (cereals market information system) |
| UDPM | *Union Démocratique du Peuple Malien* (state-party created by the Moussa Traoré's regime) |
| UNTM | *Union Nationale des Travailleurs du Mali* (state party-affiliated federation of trade unions) |
| USAID | United States Agency for International Development |
| US-RDA | *Union Soudanaise du Rassemblement Démocratique Africain* (state party created by Modibo Keïta's regime. Outlawed in 1968, recreated after the fall of Moussa Traore) |
| TCI | *Taxe Conjoncturelle d'Importation* (variable tax on rice imports) |
| WFP | World Food Program |
| WB | World Bank |

## PREFACE

During the past decade policy reform has become a valuable tool in efforts by the U.S. Agency for International Development (A.I.D.) to improve the contribution of agriculture to the physical and economic well-being of developing nations. The success of reforms requires not only rigorous economic analysis and extensive host country collaboration, but also strategic implementation. To perform effectively in the design and implementation of policy dialogue and adjustment-related programs, A.I.D. field officers as well as their host-country counterparts must be familiar with the repertoire of strategic and political issues that affect the reform process.

The Bureau for Research and Development's Agricultural Policy Analysis Project, Phase II (APAP II) has been a key vehicle through which A.I.D. has developed practical insights for the initiation, implementation and sustainability of agricultural policy reform. In addition to highlighting issues like these, APAP II has developed practical tools and methods for agricultural policy analysis and implementation in developing countries.

The "Improving the Effectiveness of Agricultural Sector Policy Reform in Africa" research project was funded by the Africa Bureau of A.I.D. (AFR/ARTS/FARA) under a buy-in to APAP II, in an effort to improve the quality of policy reform efforts. The specific objectives of this activity have been (1) to gain better understanding of the political and socio-cultural factors that explain the success and failure of agricultural policy reform programs and projects in Africa; and (2) to develop a set of guidelines and training materials that will enhance the ability of A.I.D. staff and host country officials to effectively incorporate political and socio-cultural analysis into the design and implementation of agricultural policy and institutional reform programs and projects.

The role of policy leadership, the political impact of key technical assistance staff, and strategies for institutional change were examined in a range of countries and contexts using a common analytical framework. Field studies were conducted in Côte d'Ivoire, Mali, and Zambia, and desk studies examined Cameroon, Ghana, Madagascar, and Malawi.

This document is but one component of the research reports produced under the "Improving the Effectiveness of Agricultural Sector Policy Reform in Africa" task.
The complete corpus of documents include:

*Improving the Effectiveness of Policy Reform in Africa: A Synthesis of Lessons Learned*, by Nicolas Kulibaba and Catherine Rielly;

*Improving the Effectiveness of Policy Reform in Africa: Training Manual for Agricultural Development Practitioners*, by Catherine Rielly and John Tilney;

*Improving the Effectiveness of Policy Reform in Africa: Training Module* by Catherine Rielly and John Tilney;

*Improving the Effectiveness of Policy Reform in Africa: Cocoa Marketing Reform in Ghana* by Nicolas Kulibaba;

*Improving the Effectiveness of Policy Reform in Africa: Marketing Reforms in Malawi by Nicolas Kulibaba;*

*Improving the Effectiveness of Policy Reform in Africa: Maize Marketing Reform in Zambia* by William Levine and Charles Stathacos;

*Improving the Effectiveness of Policy Reform in Africa: Cereals Market Policy Reform in Mali* by Ismael S. Ouedraogo and Carol M. Adoum;

*Improving the Effectiveness of Policy Reform in Africa: Rice Market Liberalization in Madagascar* by Catherine Rielly;

*Improving the Effectiveness of Policy Reform in Africa: Fertilizer Reforms in Cameroon* by Catherine Rielly;

*Improving the Effectiveness of Policy Reform in Africa: The Politics of Agricultural Policy Reform in Côte d'Ivoire* by Jennifer A. Widner with Atta Brou Noel.

# EXECUTIVE SUMMARY

## Introduction and Background

Evaluations of policy reforms often emphasize the technical elements of the reforms and pay only lip service to the interaction of these factors with the political dynamic factors on the process of the reforms. It is becoming increasingly evident, however, that both economic and political factors determine the need for reform, its nature, and its outcome. Policy analysts have come to realize that designing and implementing successful policies requires a better understanding and effective account of the political forces that govern policy-making.

This study, conducted by the Agricultural Policy Analysis Project, Phase II (APAP II) for USAID's Bureau for Africa (AFR/ARTS/FARA), is part of a multicountry research effort whose purpose is to improve the quality of policy reforms (both project and nonproject assistance) in Sub-Saharan Africa. This case study focuses on the process of the policy design and implementation of the multidonor-supported Program for the Restructuring of the Cereals Market, *Programme de Restructuration du Marché Céréalier* (PRMC) in Mali. The scope of work calls for the analysis to delineate the context of the reforms, and particularly to focus on the political and sociocultural influences that were leveraged to result in the current outcome of the program. The PRMC was selected for analysis because of its unique features: a widely perceived success story; a program initiated before the World Bank-led Structural Adjustment Program; a rare example of the coordination of donors in their attempt to influence policy reform; and a long-lived program that spans more than twelve years, almost entirely under a dictatorial regime.

The PRMC includes three major policy reform programs:

- Market liberalization (participation of the private sector in agricultural marketing)
- Pricing policy (with prices to be determined by market conditions)
- Reorganization of the parastatals such as the *Office des Produits Agricoles du Mali* (OPAM), the grain marketing board, and *Office du Niger* (ON), the rice development organization (elimination of monopoly power over grain marketing and new mandate)

This study follows a common analytical framework developed for all the field studies of the ARTS/FARA-APAP II research effort. Agricultural policy reform is conceptualized as a three-phases process: initiation/adoption, implementation, and sustainability. For each phase of the reform, the analysis addresses four levels of political interaction:

- Coalitions and mass political pressure
- Donor-government relations

- Political elite and factions
- Bureaucratic interaction

The table below lays out the timing of the three analytical phases of the PRMC reforms. The dynamic process of the PRMC reforms followed a different path and pace depending on the commodity. The extended duration of the initiation phase of a reform indicates the protracted nature of the process of consensus building. This table also indicates parts or totality of the reforms for which the "job is not yet done."

**Analytical Phases of PRMC Reforms as of June 1993**

| Types of Reforms and Cereals | | Phases of Reforms | | |
|---|---|---|---|---|
| | | Initiation | Implementation | Sustainability |
| Liberalization | Coarse grains | 1978 - 1982 | 1982 - 1987 | 1987 - ongoing |
| | Rice | 1978 - 1982 | 1982 - 1986 | 1987 - ongoing |
| Pricing | Coarse grains | 1978 - 1982 | 1982 - 1987 | 1987 - ongoing |
| | Rice | 1978 - 1982 | 1982 - ongoing | |
| Restructuring | OPAM | 1978 - 1982 | 1982 - 1993 | 1993 - ongoing |
| | ON | 1983 - 1993 | 1993 - on-going | |

## Synthesis of the Major Analytical Themes

**Coalitions and Mass Political Pressure.** Pressure from non-elite coalitions and the public played a relatively small role in the initiation and implementation of PRMC reforms, particularly when compared with pressure and intervention by donors and the political elite. Trade unions and civil service pressure reinforced the perception that reform was needed, although this pressure did not alter the direction of reform. The perception of crisis was much stronger for coarse grains than for rice. The National Seminar on "the restructuring of OPAM and Cereals Market" provided an efficient vehicle to build consensus and for Malians to accept the proposed reform that donors had begun to push.

**Donor-Government Relations.** The speed with which the National Seminar on the restructuring of OPAM and cereals market was prepared (29 December 1980-3 January 1981) indicates the sense of urgency and consensus reached by donors and the Government of Mali (GRM). At the implementation phase, however, donor-government relations often fluctuated. For example, the scheduled price increases stalled in 1984 when Mali reentered the CFA zone (West African Monetary Union), and consequently

consumer purchasing power was cut in half. Donor coordination was sometimes lacking, for example in 1986, when they could not agree on the new role of OPAM. European donors also disagreed with the World Bank about the pace and extent of reforms directed at the ON. Occasionally, the conditionality imposed by the International Monetary Fund (IMF) conflicted with the PRMC's tactical thinking. The consensus that was eventually reached among donors provided them with a powerful bargaining chip in negotiations with the GRM.

**Political Elite Politics and Factions.** The guaranteed flow of important food aid and the creation of the common funds sold the reforms to the GRM. These elements made it easier for policy champions to win over the President to the reform, and allowed the President to appease those of his allies who opposed the reforms. The political risk of food riots was also thus avoided. Most observers believe that the role of policy champion was played at the crucial initiation and early phases by one or two individuals, who used the reform to their own political advantage. Conversely, during the same period, observers viewed the Minister of Agriculture as a "hydraulic brake" in the reform of the ON.

**Bureaucratic Interaction.** No real critical mass of technocrats was built during the PRMC. High turnover and sporadic meetings do not allow the development of a long-lasting informed technical cadre. Because of the patronage system of the Traoré regime, autonomy of the bureaucracy was nonexistent. Bureaucrats willing to take risks and be innovative still needed personal contact with the inner circle of Moussa Traoré. The technical assistance provided by PRMC at times helped bureaucrats in their initiatives, such as in the design and implementation of the cereals market information system (SIM in French), and in provision of credit to traders and village groups. On the other hand, bureaucrats were often frustrated by the presence of expatriate technical advisors because it limited their ability to gain access to their Minister.

## Successful and Unsuccessful Elements of Reform

The successful and unsuccessful elements analyzed here are those of the political process of the PRMC reform. This categorization must be viewed within the context of the PRMC, because an isolated "successful" element incorporated into another project may not yield a "successful" outcome. Elements of reforms may have positive and negative aspects, and which aspect dominates depends on many other factors of the reform. The following examples illustrate that there were many more successful than unsuccessful elements in the PRMC.

- **Successful:** The 1980-1981 National Seminar held at the initiation phase helped the GRM prepare the public and build consensus among decision-makers for market reform. It helped Moussa Traoré in two ways: (a) to rationalize a choice he could no longer postpone, thus saving face; and (b) to broaden support for reforms and avoid direct confrontation with those of his political allies who were

against the reforms. Building on this success, the PRMC organized two other such seminars, in 1987 and 1993.

- **Successful:** Donors perceive the need for consensus among themselves before dealing directly with the government. Different viewpoints and experiences are pooled, not to mention different resources, something that would not have been achieved had each donor worked individually.

- **Unsuccessful:** However, donor consensus building may have been attained at the expense of government capacity building. The donors "club" has excluded GRM officials and limited the ability of Malians to participate in the decision-making process.

- **Unsuccessful:** On the other hand, donors are members of Malian task forces. The GRM has been slow to design an institutional response to donor unity. It is important to promote increased participation by Malians in the PRMC and to build Malian skills that will allow them to develop a concerted approach to arrive at their own consensus positions and present a coherent response and Malian initiatives to the PRMC donors.

- **Successful:** The importance of a "policy champion" cannot be overemphasized, particularly during the initiation/adoption phase, which proved to be most critical in the PRMC.

- **Successful:** Policy reform was accepted and implemented when the policy champion(s) were backed up by resources that they could bring to the table as compensation or incentives for change.

- **Successful:** As important as the national "policy champion" was the "technical facilitator," the expatriate technical advisor to the various ministries in charge with OPAM and PRMC.

  - **Successful:** The technical advisor provided valuable guidance and leavening to both donors and the GRM as to acceptable language for negotiations, thus saving many faces and decreasing the number of backs set up. He served as a historical repository for activities and decisions unmatched in either donor or government circles, and was perceived as truly representing the interests of the Government of Mali.

  - **Successful and Unsuccessful:** He had access to the highest decision-makers in the Malian government, unfortunately at the expense of Malians' access to their Minister for PRMC discussions. His success with both donors and the GRM, minimized pressure from either side to force

more Malian involvement in the process. Recently, this has begun to change.

- **Unsuccessful:** His presence obviated the need for Malian officials to become integrally involved in discussions of a technical or managerial nature, which resulted in little experience being gained by the Malians to become full partners, not figureheads, in the management process.

- **Unsuccessful:** Information-sharing with Malian technical cadre, in the form of dissemination of research reports and other technical knowledge gained during PRMC, occurred rarely. Lack of access to technical information resulted in little capacity building of even the most involved Malian officials, further undermining their ability to participate more fully in the managerial process.

- **Unsuccessful:** Donors have used the frequent turnover of government staff in all positions to explain the ineffectiveness of the *Comité d'Orientation et de Coordination* (COC) of the PRMC as a Malian decision-making body, and as a reason to not spend resources training counterparts at the *Conseiller Technique* level. However, donors have made little attempt to effectively deal with this issue, such as a condition precedent of a minimum fixed-term appointment of Malians in key positions.

- **Unsuccessful:** The effect of new political elements and pressures on government policy-making and reform will be poorly understood by donors if the current arms-length interaction continues. Direct and open dialogue with Malians about these elements is needed to help Malians to best communicate the real advantages of a given policy to win support and reduce opposition.

- **Successful Institutional Change:** Although it has yet to be formally evaluated, the SIM is largely viewed as one of the most successful institutional changes of the market liberalization program. Mali's SAP also compares extremely favorably with other early warning systems in Sahelian countries, although it remains limited in geographic coverage. The training and documentation center (CEFODOC) at OPAM has successfully trained grain traders, but donors have yet to agree on a clear agenda for the training center.

**Impact of Political Change on Reform**

GRM officials are beginning to feel new political pressures from Malian organized stakeholders, in addition to those from donors and high-level government personnel. Donors have yet to deal with this new element in the policy decision-making process. Techniques on political mapping and stakeholder analyses might be useful for all involved parties to master.

Little experience of the ramifications of the new political systems exists. Momentum appears to be building to take advantage of the new need for the government to be accountable to the population, but the form that will take in the long run is uncertain. The discretionary power of the bureaucracy (and particularly the clientelism in the system) may be reduced over time, but at the same time, quick results are desired and stakeholder groups may be less amenable to measured progress.

It remains difficult to predict the effect that the new democratic initiatives will have on policy reform and the political dynamics that have driven reform in the past. Communication between and among donors and government officials is more critical during this period than in the past; issues that result from the new pressures must be quickly shared, and strategies for appropriate resolution of concerns must be developed with full understanding of the dynamics at play.

# 1. INTRODUCTION AND BACKGROUND

The poor performance of policy reforms in most of Sub-Saharan Africa (SSA) has been blamed on a variety of factors, including exogenous macroeconomic elements, faulty economic assumptions, and failure of countries to truly implement reforms (Elbadawi *et al*, 1992)[1]. Most evaluations of policy reforms have emphasized the technical elements of the reforms, paying only lip service to the interaction of these factors with the political dynamic process of the reforms. It is becoming increasingly evident, however, that both economic and political factors determine the need for reform, its nature, and its outcome (Bates and Krueger, 1992). It is often political factors that inhibit or prevent authorities from adopting programs that appear sound on economic grounds. The experiences of developing countries in the 1980s has called to researchers' attention the need to analyze the political economy of policy reform. Increasingly, policy analysts have realized that designing and implementing successful policies requires a better understanding and effective account of the political forces that govern policy-making (see Harberger, 1993; Rodrik, 1993; Krueger, 1993).

This study is conducted by the Agricultural Policy Analysis Project, Phase II (APAP II) for USAID's Bureau for Africa (AFR/ARTS/FARA) as part of a multicountry research study whose purpose is to improve the quality of policy reforms (both project and nonproject assistance) in SSA. This research effort analyzes the political dynamics of agricultural policy reforms to derive key lessons that will help in designing and implementing future reforms in the region. This ARTS/FARA-APAP II research effort focuses on two objectives:

- Provide a better understanding of the political and sociocultural factors that explain the success and failure of agricultural policy reform and projects in Africa

- Develop a set of guidelines and training materials that will enhance the ability of A.I.D. staff and host-country officers to effectively incorporate political and sociocultural analysis into the design and implementation of agricultural policy and institutional reform programs and projects.

This field-based study provides an empirical basis that contributes to these objectives. The case study focuses on the process of the policy design and implementation of the multidonor-supported restructuring of cereals market, the *Programme de Restructuration du Marché Céréalier* (PRMC) in Mali. The scope of work calls for the analysis to delineate the context of the reforms, and particularly to focus on the political and sociocultural influences that were leveraged to result in the current outcome of the PRMC.

---

[1] The *Economist* reports that the study by Elbadawi et al was first published under the title "Why Structural Adjustment has not Succeeded in Sub-Saharan Africa" before being changed to its current blander one (see References).

## 1.1 Context of Agricultural Sector Reforms in Mali

Upon independence in 1960, Mali joined Ghana and Guinea in the "African socialist camp" and opted for a "Malian socialist path" to economic and social development. The strategy of the Modibo Keïta's regime (1960-1968) was based on the extraction of agricultural surplus to build import-substitution and processing industries. Keïta's regime viewed private traders as parasites who lived off both producers and consumers, and who had to be contained if they could not be eliminated. Farmers were viewed as archaic capitalists in a primitive state, in need of the state's guidance to form cooperatives. Collectivism was to be a modern transformation of existing traditional Malian farmer associations. Economic, political, and social activities were heavily centralized and dominated by the state. The one-party (US-RDA) State exercised its control at the local level, including villages and city districts (*quartiers*), through ruthless political militia groups.

Massive capital and entrepreneurial flight followed the imposition of Keïta's socialist doctrine, especially after Mali withdrew from the Franc zone to create a sovereign, but nonconvertible, Malian franc in 1962. Poor economic results and continued abuse of citizens in the hands of the political militia contributed to the downfall of Keïta's regime in 1968. The new government, headed by Moussa Traoré, promised freedom to traders, producers, unions, and all citizens, but the liberalization of domestic marketing in 1969 lasted only one year. Through 1981, the regime of Moussa Traoré (1968-1991) continued to reinforce the state-dominated economic policies of his predecessor.

Twenty-four *Opérations de Développement Rural* (ODRs), mostly during Moussa Traoré's regime, were added to the existing rice parastatal *Office du Niger* (ON) and the cotton parastatal *Compagnie Malienne des Textiles* (CMDT). The regime also continued the parastatal *Office des Produits Agricoles du Mali* (OPAM), created in 1965 to market domestic cereal production, as well as exports and imports of food grains. Based on Keïta's model of rural organization, ODRs and the ON bought marketed surplus from farmers, transported, stored, and processed it if necessary, and sold it to OPAM at prices and margins fixed by the government.

The extent of economic decline was severe in Mali (see Exhibit 1.1) because of both ineffective economic policies and adverse weather conditions, particularly the Sahelian drought in the early 1970s. Mali, which was thought before independence to be the breadbasket of the region, has become, as many other Sahelian countries, a perennial recipient of food aid. There was widespread misuse of the massive food aid that poured into the country to mitigate the effects of the severe Sahelian drought. The political elite built "palaces of drought" (*les châteaux de la sécheresse*) from stolen food aid and donor funds. By the late 1970s, while food production per capita was still stagnant after barely recovering from the drought, stocks of food aid had been squandered. Some donors suspended or were threatening to withhold future food aid. Mali was experiencing larger and larger trade imbalances, external debts, and government deficits. Perhaps the most telling indicator of the extent of the economic decline was the inability of GRM to pay its civil servants salaries on time. Although many other SSA countries

faced similar macroeconomic imbalances, contrary to Mali, they had managed thus far to pay their civil servants.

**Exhibit 1.1**

**Mali: Extent of Economic Decline Before Reforms**
**Selected Economic Indicators, 1972-1980**

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
|---|---|---|---|---|---|---|---|---|---|
| GDP[1] | 200.08 | 178.12 | 166.65 | 207.56 | 237.50 | 256.46 | 237.00 | 274.92 | 265.94 |
| Agriculture[1] | 32.88 | 33.58 | 33.58 | 36.59 | 38.67 | 43.30 | 42.61 | 35.89 | 35.66 |
| Food production per capita[2] | 98.7 | 87.5 | 99.5 | 111.2 | 112.5 | 111.3 | 113.0 | 111.6 | 109.9 |
| Resource balance[3] | -37.03 | -37.84 | -62.91 | -57.01 | -40.32 | -26.40 | -70.29 | -72.45 | -69.69 |
| External debt[4] | 268.4 | 301.1 | 348.9 | 356.1 | 373.8 | 472.0 | 567.6 | 571.1 | 731.9 |
| Government deficit[5] | — | — | — | — | — | 200 | -4,000 | -9,100 | -16,000 |

Source: *World Trade Tables 1992* (World Bank, 1992).

[1] GDP and agriculture at factor costs in billions of 1987 CFA Francs
[2] Index (187 = 100)
[3] Resource balance (of goods and nonfactor services) in billions of 1987 CFA Francs
[4] Total external debts outstanding at end of year in millions of US dollars
[5] Deficit (-) or surplus in millions of current CFA Francs

The reforms initiated in Mali from 1978 to 1981 sought to radically shift economic activities from state-domination and administrative pricing to increased private sector participation and market-based allocation of resources.

## 1.2 Political System and Liberalization

The regime of Moussa Traoré is widely viewed as centralized, dictatorial, and pervasively corrupt. Until 1978, political power was in the hands of a military committee, the *Comité Militaire de Libération Nationale* (CMLN), formed by military officers who, along with Moussa Traoré, played a major role in the 1968 coup. After Moussa Traoré wrestled power from his companions, he sought to legitimize his regime by creating a political party (still legally nonexistent, although "accepted" by constitutional referendum in 1974). To enlarge his power base, the President sought to attract young, dynamic, and educated Malian elite, who eventually introduced an element of liberalism into the official socialist stance of the regime. The state party, *Union Démocratique du Peuple Malien* (UDPM), dominated all Mali's economic and social activities in urban and rural areas. However, neither the elected parliament nor the council of ministers had any real power. The Party's policy bureau, *Bureau Exécutif Central*

(BEC), comprising the closest military and civilian allies of Moussa Traoré, was the highest decision-making body. The President ruled by decrees based on recommendations of the BEC and the counsel of his advisors. Political and business lobbyists, therefore, had to win over the BEC or directly influence the President.

Trade unions and students were viewed as the only major opposition forces to the one-party state. Through repressive measures, the Traoré regime created a party-affiliated federation of trade unions, the *Union Nationale des Travailleurs Maliens* (UNTM). Trade unions, however, were built on a proud and combative tradition following those workers who had fought hard labor imposed by the French colonial administration during the construction of the Dakar-Niger (Dakar-Koulikoro) railroad. After the creation of UDPM, the teachers' trade union was the only institution, other than UDPM, with a truly nationwide network. As in many other African countries, the power of the teachers' union lies in its influence over students, who often, however, generate their own dynamics once they are spurred into action.

During Modibo Keïta's regime and most of the 1970s, students were a privileged group. They were assured of employment in the civil service, and during their school years they received stipends, which often equaled the salaries of civil servants already at work. Increasingly, however, the government had difficulty employing all graduates and especially paying student stipends. The unrest created by this decline in student support added to the instability of the political environment.

All major economic activities were dominated by the inner circle of Moussa Traoré, ironically known as the *FMI*, not the French acronym for IMF, another unpopular institution in the public's opinion, but *Famille Moussa et Intimes* (Moussa's family and intimates). Observers note that corruption and the plundering of the economy (especially through parastatals) accelerated after 1978. Following the example of Traoré's inner circle, civil servants and armed personnel exacted bribes from business entrepreneurs. The bureaucracy's corrupt practices came to be viewed as normal compensation for low, often long-delayed salaries of civil servants. Some observers noted that while corruption and farmers' exploitation also occurred under Keïta's regime, guilty parties were severely punished when caught because the upper political leaders had remained honest, sincere socialists. During Traoré's regime, however, corruption permeated the bureaucracy and the party, and despite strong laws on the books (including the death penalty for embezzlement of more than 5 million CFA Francs), no punishment was meted out because no serious case was ever tried.

### 1.3 Statement of Specific Reforms to be Analyzed

The Program of Restructuring of the Cereals Market *(Programme de Restructuration du Marché Céréalier,* or PRMC) was selected for analysis because of its unique features. First, the PRMC is widely perceived as a success story, an oddity in most of Sub-Saharan Africa. Second, although the PRMC is part of the framework of the World Bank-led Structural Adjustment Program, it preceded it in Mali. Third, the PRMC is a rare example of the

coordination of donors in their attempt to influence policy reform. Fourth, the PRMC spans more than twelve years, mostly under a dictatorial regime, but also outlasted this regime.

In December 1980, a group of donors (World Bank, Canada, the EEC, FAO, France, the WFP, Germany, and the United States, soon to be joined by Austria, Belgium, the Netherlands, Switzerland, and the United Kingdom) proposed to the Government of the Republic of Mali (GRM) assistance for the restructuring of the cereals markets, supported by a pledge of 250,000 maize-equivalent tons of food aid over five years, which was to be sold in Mali to create a Common Fund (counterpart fund) to support the policy reform program. The donors funded a National Seminar (December 29, 1980 - January 3, 1981) on the "restructuring of OPAM and cereals markets," which recommended the proposal to the GRM. The government accepted the proposal on February 18, 1991, and in June 1981, upon the arrival of the donors' technical advisor to the GRM, PRMC I was launched for a five-year period (Sall, 1989)[2]. Only donors actively providing food aid are members of the PRMC at any given time; the World Bank, IMF, and FAO have observer status.

The PRMC includes three major policy reform programs (see Appendix A):

- Market liberalization (participation of the private sector in agricultural marketing)
- Pricing policy (with prices to be determined by market conditions)
- Reorganization of parastatals, particularly OPAM and ON (elimination of monopoly power over grain marketing and new mandate)

The PRMC has covered several phases:

- PRMC I: 1981-1986 (1981/82 and 1985/86 marketing seasons)
- Transitional Phase: 1986-87
- PRMC II: 1987-1990 (1987/88 and 1989/90 marketing seasons)
- PRMC III: November 1, 1990-October 31, 1993
- PRMC IV (proposed as of May 1993): January 1994-December 1997

## 1.4 Analytical Framework

This study follows a common analytical framework developed for all field studies of the ARTS/FARA-APAP II research effort (see Exhibit 1.2). Agricultural policy reform is

[2] The legal text instituting the PRMC was to be signed March 1982.

**Exhibit 1.2**

**Analytical Matrix**

**Improving the Effectiveness of Policy Reform in Africa**

| | POLITICAL THEMES: LEVELS | | | |
|---|---|---|---|---|
| **PHASES OF AGRICULTURAL POLICY REFORM** | Coalitions & Mass Political Pressure | Donor-Govt. Relations | Political Elite, Factional | Bureaucratic Interaction |
| Initiation/Adoption | - Consensus Building<br>- Public Perception of Crisis<br>- Previous Style of Adjustment Discredited | - Perception of Need for Consensus<br>- Donor Resources<br>- Sense of Urgency to Act<br>- Sequencing of Reforms<br>- Conditionality | - Selling Reform to Politicians<br>- Autonomy from Elites<br>- Support of Elites<br>- Clientelism<br>- Political Mgmt. Skills | - Policy Champions<br>- Critical Mass of Technocrats<br>- Tactical Thinking<br>- Autonomy<br>- Parallel Markets |
| Implementation | - Protests<br>- Winners/Losers: Urban/Rural, Farmers, Military, Other Interest Groups<br>- Compensatory Measures | - Pace<br>- Conditionality<br>- Instit. Reform Strategies<br>- Timing of Financing<br>- Level of Financing<br>- Tactical Thinking | - Motivation: Ideas, Party, Donor Resources, Constituency, Ethnic Group, Diffuse Opposition<br>- Duration of Regime, Legitimacy | - Capacity of Technocrats<br>- Incentives<br>- Effective Institutions<br>- Technocrat. Autonomy/ Influence on Bureacracy<br>- Role of TA |
| Sustainability | - Compensatory Measures<br>- Concentrated Benefits<br>- Dispersed Costs<br>- New Coalition | - Supply of Public Goods<br>- Conditionality<br>- Relations with Bank, Fund; USAID, other external relations<br>- Resources | - Institutionalized Autonomy<br>- Role of Ideas<br>- New Consensus | - Rules/Norms Reducing Discretionary Power of Bureaucracy<br>- Reform Pace<br>- Successful Institutional Change |
| | | | | |

conceptualized as having three phases: initiation/adoption, implementation, and sustainability. For this study, the initiation/adoption phase of reform is defined as the period during which reform was conceived, debated, and subsequently launched, for example as a signed agreement. The implementation phase is the period during which reform measures are carried out (either totally or partially), evaluated, and possibly modified into a form that will receive minor or no changes. The sustained phase is the period during which a reform has achieved a critical mass of support because it has achieved a desired level of effects and a perceived balance of political acceptance.

For each phase of the reform, the analysis addresses four levels of political interaction:

- Coalitions and mass political pressure
- Donor-government relations
- Political elite and factions
- Bureaucratic interaction

In coalitions and mass political pressure, we are concerned with how various socioeconomic groups, losers and winners, or the public at large, in a concerted or diffuse way, voice their support or opposition to the reforms being initiated or implemented. Donor-government relations involve the negotiation process that determines the mix of conditionalities and resources ("stick and carrot") at the different phases of the reforms. These negotiations are often based on perceptions, for example, about the economic validity of reforms and the political pressure each party thinks the other can bear. Donor-government relations shape and in turn are shaped by the interplay of factions of the political elite. A better understanding of this interplay can be obtained by identifying factions that favor or resist reforms and how they tactically manoeuver. Bureaucrats are called upon to implement the reforms and are also market participants (consumers and sometimes producers) who may follow a political agenda and certainly respond to the demand of the political elite.

The elements of the analytical matrix in Exhibit 1.2 summarize key issues raised at these four levels across the initiation, implement, and sustained phases of each reform. These elements may be also be viewed as hypotheses to be tested in each case study. This framework allows one to analyze and gain a better understanding of the following key elements of the reform process: (a) the political and sociocultural environment; (b) the role of host country leadership, both political and technical, in agricultural policy reform; (c) the political impact of technical assistance and strategies for maximizing the effectiveness of such assistance; (d) institutional change strategies and tactics; and (e) interest articulation.

Exhibit 1.3 shows the three analytical phases of the PRMC reforms defined above. The dynamic process of the PRMC reforms followed a different path and pace depending on the commodity. This was due to the political dimension of these commodities, particularly the political pressure of interest groups, which is diffuse in the case of coarse grains and more concentrated in the case of rice. This feature will be elaborated upon later. The duration of the initiation phase of a reform, lasting a decade in the case of the ON, indicates the protracted nature of the process of consensus building. The exhibit also shows parts or totality of the reforms for which the "job is not yet done" because implementation is still ongoing or the sustainability of reform, as discussed later, can be elusive.

**Exhibit 1.3**

**Analytical Phases of PRMC Reforms as of June 1993**

| Types of Reforms and Cereals | | Phases of Reforms | | |
|---|---|---|---|---|
| | | Initiation | Implementation | Sustainability |
| Liberalization | Coarse grains | 1978 - 1982 | 1982 - 1987 | 1987 - ongoing |
| | Rice | 1978 - 1982 | 1982 - 1986 | 1987 - ongoing |
| Pricing | Coarse grains | 1978 - 1982 | 1982 - 1987 | 1987 - ongoing |
| | Rice | 1978 - 1982 | 1982 - ongoing | |
| Restructuring | OPAM | 1978 - 1982 | 1982 - 1993 | 1993 - ongoing |
| | ON | 1983 - 1993 | 1993 - ongoing | |

## 1.5 Outline

This report follows a common format developed for case studies of the ARTS/FARA-APAP II research. Chapter 1 presents the introduction and background of the political dynamics of the PRMC, including the context of reforms, political system, and statement of specific reforms to be analyzed. Chapter 2 presents the cereals market liberalization reform, with an analysis of the following phases: initiation/adoption, implementation, and sustainability. Four major political themes are discussed for each phase (coalitions and mass political pressure, donor-government relations, political elite, and bureaucratic interaction). Following the format of Chapter 2, Chapter 3 presents the pricing reform, Chapter 4 the restructuring of OPAM, and Chapter 5 the restructuring of ON. Chapter 6 presents the conclusions, including a summary of each of the four major political themes, a discussion of successful and unsuccessful elements of the political process, and a rapid assessment of the impact of political change on reform.

## 2. MARKET LIBERALIZATION REFORM

This section analyzes the market liberalization reform for coarse grains (millet, sorghum and maize), paddy, and rice.

### 2.1 Initiation Phase

One of the stated objectives of PRMC I was to liberalize the cereals market by abolishing OPAM's monopoly to allow private traders to compete against OPAM.

#### 2.1.1 Coalitions and Mass Political Pressure at the Initiation Phase

**Public Perception of Crisis.** OPAM was called *Woh Ba*, "the big hole," to indicate the extent to which money and grain could disappear from the parastatal. OPAM's market share in cereals remained small, 27.3 percent for coarse grains and 38.5 percent for paddy during 1965/66-1989/81 (Steffen, 1990), so that its marketing monopoly was more fiction than reality. Participants at the National Seminar of December 1980-January 1981 on "the restructuring of OPAM and the Cereals Market," in recommending a marketing system that "recognized the coexistence of an official and private sector," accepted the following conclusions: "the ineffectiveness of the official marketing system; the small market share of OPAM; and the *de facto* presence of private traders in cereals markets. However, the public perception of crisis regarding paddy and rice was not as strong. The 1980-81 seminar recommended a continuation of the marketing monopoly of ON and other rice operations in their zones and rice market liberalization elsewhere.

**Consensus Building.** One objective of the 1980-81 seminar was to build a consensus. This objective was achieved because most of the seminar recommendations merely confirmed what donors and the GRM had already discussed and largely agreed upon. As indicated above, however, the consensus about liberalization of rice had not yet been achieved. The official document instituting PRMC I eschewed the issue, noting *l'accès au marché céréalier est libre à tout agent respectant la réglementation de la profession et à tout moment de l'année* (Sall, 1989).[3]

**Previous Style of Adjustment Discredited.** The failure of the attempt to liberalize grain marketing in 1969 was not mentioned, in the documents reviewed or in discussions with political observers, as an important element in the political pressure leading to the adoption of market liberalization reform in 1981.

[3] Access to cereals markets is free to all agents abiding by the rules and at any time of the year.

### 2.1.2 Donor-Government Relations at the Initiation Phase

**Perception of the Need for Consensus.** The consensus on coarse grain marketing liberalization was easier to reach than for other reforms because it was common knowledge that OPAM controlled a small share of marketed surplus. The role of grain ODRs, to deliver grain to OPAM, was also decreasing. The consensus on rice, however, was not that strong. Liberalizing rice marketing had implications beyond OPAM, particularly for the ON. Because the ON is a vertically integrated enterprise, a reform of rice commercialization and prices means a complete reorganization of ON. The PRMC has supported liberalization of the domestic rice market and ON, but was not willing to press for the reorganization of ON. PRMC donors felt that their mandate concerned the marketing of grains, and those donors financing the ON did not want the PRMC to be concerned with the restructuring of ON.

**Sense of Urgency to Act.** The 1980-81 National Seminar summarized the urgency of the situation from the Malian perspective:

> A series of studies and recommendations were made to find a system that could be viewed as a rational framework to guarantee that OPAM would reach its objectives. It is apparent today that "Mali's food situation has only worsened since the drought of 1972" (Sall, 1989).

After OPAM's failure to remain financially afloat and is failure to secure supplies for privileged consumers, Malians accepted the fact that it was necessary to restructure OPAM. After several studies and missions, especially the de Meel report of 1978, donors succeeded in persuading Malians of the urgency to act. To add to this urgency, the Structural Adjustment Program, in discussion and to be implemented in 1982, had targeted OPAM and other parastatals for restructuring. As noted above, donors approached the GRM on December 9, 1980, and the National Seminar, which helped diffuse potential resistance to the reforms, took place only three weeks later, over the year's end holiday.

**Sequencing of Reform.** The reform called for the liberalization of cereals markets to take effect immediately. Because paddy and rice were not accepted, it can be assumed that liberalization also affected them. As will be seen, however, the liberalization of paddy and rice took considerable time to be fully implemented.

**Conditionality.** The liberalization of cereals markets was a key condition for donor support of Mali's food aid needs. Although distraught by the misuse of previous food aid, donors viewed food aid to Mali as a foregone conclusion given the level of food insecurity in Mali at the initiation phase. This time, however, the concerted resolve of donors succeeded in imposing this conditionality on the GRM.

### 2.1.3 Political Elite and Factions at the Initiation Phase

**Selling Reform to Politicians.** Guarantee of food aid, including rice, to cover any problems encountered during the cereals market liberalization, won the support of politicians. To win the support (or rather to defuse the opposition) of those of his closest political allies who opposed the reforms, the President accepted the proposal to hold the National Seminar on the restructuring of cereal markets. The political elite, however, remained an important stakeholder in the rice subsector. Political and bureaucratic elite hold large tracts of irrigated land in the ON and other rice development organizations. Because they stood to lose in any reform that would change the structure of the ON, they successfully resisted attempts to liberalize rice marketing until 1986.

**Political Management Skills/Policy Champion.** Most observers agree that the Minister of Economy and Planning (1982-1984) and then of State-Owned Enterprises (1984-1986), played the role of policy champion or engine-of-reform. This view is confirmed by the fact that when he changed ministerial departments in 1984, he carried with him the PRMC/OPAM portfolio. However, after he left the government in 1986 for higher positions in the state political party, the PRMC/OPAM reverted back (in 1988) from the Ministry of State-Owned Enterprises to the Ministry of Commerce (see the chronology of selected events in Appendix B). His liberal views came from his business training in France, contrary to most previous members of the elite during Keïta's regime who went to socialist Europe or the U.S.S.R. for technical training. Cereals market reform was also a stepping stone for the kind of bright elite that Traoré was wooing to establish his legitimacy and attract the West's attention. This Minister became a member of the BEC in 1988 and then counselor to the President until Traoré was overthrown in 1991. Because all key decision-making took place in the BEC, at this initial stage, this Minister had to and did win allies at that level.

As noted above, Moussa Traoré exercised his strong political management skills to get the reform underway by approving the National Seminar of 1980-1981. Although it was a donor-funded seminar to discuss the common platform of PRMC I, Traoré and allies presented this seminar as their own because such seminars were not new to Malians. In 1964 and 1968, Keïta's regime organized national seminars on similar topics (both of those seminars disproved of the policies then carried out).

In addition, Moussa Traoré played arbiter between members of his BEC who could not come to agreement. Observers note that several times he called the disagreeing ministers or individuals together to discuss their differences in private, and quick resolved impasses.

### 2.1.4 Bureaucratic Interaction at the Initiation Phase

**Policy Champions.** It can also be argued that the policy champion, identified above, played that role in his capacity of technocrat (trained in business management) because the restructuring of the cereals market concerned OPAM, which was in his ministry. However,

policy champions who were more bureaucrats than politicians had limited success in promoting new policies.

**Critical Mass of Technocrats.** Participants at the 1980-1981 seminar may be viewed as the critical mass of technocrats at the initiation phase of the PRMC. However, episodic meetings do not promote the development of a long-lasting critical mass.

**Tactical Thinking.** It is obvious that technocrats attempted to strengthen the role of OPAM and ON and other rice development organizations, as reflected in the recommendations of the 1980-1981 seminar. Given the short notice to prepare this seminar, however, it is not surprising that Malian technocrats did not think through all the ramifications of the proposed reform, including the potential conflict between fixed prices and liberalization.

**Autonomy.** The autonomy of technocrats was limited under a centralized regime and low wages. The technocrats attending the seminar, however, were defending their interests; interests that coincided with those of the political elite, who were their patrons.

## 2.2 Implementation Phase: 1981-1988

During the first year of the reform (1981-1982), trade by licensed traders was legalized and restrictions on grain movements across districts (*avis de mouvement*) were abolished. Because private traders had already captured the largest share of coarse grain trade, this reform was the easiest to implement. Nonetheless, it ranks among the early successes of PRMC, especially since the liberalization of rice marketing was to occur much later. The *Office Riz Mopti* (ORM) did not allow traders to buy paddy from farmers until 1984 and the *Office du Niger* (ON) not until 1986.

### 2.2.1 Coalitions and Mass Political Pressure at the Implementation Phase

**Protests.** There were no reported protests in response to the liberalization of grain markets. Donors made good on their promises to deliver food aid; and as the weather conditions improved in 1985/86, winners of grain liberalization outweighed losers. The increased volume of food aid blunted any problems that arose from market liberalization or price increases.

**Winners and Losers.** Winners of coarse grain liberalization included traders and consumers. Many new merchants entered the market, including those former employees released by OPAM, and competition increased. Consumers, including those in rural areas, reported that grain was available closer to their homes (Scott, 1988). Losers from market liberalization included those who had enforced the restrictive rules and regulations. There were reports that although roadblocks had disappeared, some officials continued to impose taxes on traders.

**Compensatory Measures.** PRMC provided food aid for OPAM, which was now competing in the open against private traders. The food aid was used to cover losses caused by negative margins on purchases and sales of grains (see Chapter 4).

### 2.2.2 Donor-Government Relations at the Implementation Phase

**Pace.** The pace of market liberalization was much slower for rice than for coarse grains. As already noted, the liberalization of rice marketing was carried out in 1984 and 1986 at the end of the first phase of PRMC. If the above-mentioned Minister of Economy and then of State-Owned Enterprises was viewed as the engine, the Minister of Agriculture was seen as the hydraulic brakes of the reform, according to one observer. Although the Minister of State-Owned Enterprises attempted to involve the Ministry of Agriculture in discussions with donors of the PRMC, it was apparent that the PRMC viewed the Ministry of Agriculture as outside its focus. It is also widely accepted that the donor-paid technical advisor to the various ministries in charge of OPAM was the key facilitator for the PRMC reforms. Working on both the donor and the GRM sides, he helped smooth relations between the two groups. His relations with the Ministry of Agriculture (later the Ministry of Rural Development), however, were episodic, and seldom through personal contact.

**Conditionality.** The GRM resisted the liberalization of paddy particularly at the ON, arguing that until producers were regrouped into *associations villageoises* (AV), they would not be protected against grain speculators. As of March 1986, however, rice liberalization at the ON was still not effective. To help speed this process, donors delayed paying funds due to the ON according to agreement between PRMC and GRM to support prices. They reasoned that this delay would send a strong signal to the ON about their disapproval of the ON's lack of commitment to market liberalization. They reasoned, however, that the ON was not in urgent need of the funds to be sent (Management Committee Memorandum, February 1986).

**Institutional Reform Strategies.** One criticism of PRMC I has been its lack of attention to the improvement of the performance of the private market, which was asked to supply food to consumers and participate in price stabilization. It was argued that the liberalization of cereals markets would not be effective until the private sector, which was to replace OPAM, had access to credit. During the transitional phase, the PRMC was to provide credit to traders and, at the insistence of the GRM, to AVs, to buy and store grain. The flexibility of the PRMC was applauded, but the performance of its credit activities left much to be desired. According to many evaluations of the program (Scott, 1988; Dioné *et al*, 1987) the credit programs missed the target groups and suffered from low repayment rates. The PRMC credit system remains a major question mark of the PRMC, although initially producers proved to be more creditworthy than traders. There has been little evaluation of the impacts and lessons to be learned from the various pilot programs.

**Tactical Thinking.** Rather than the timing or level of financing, which was more than adequate, there was a lack of tactical thinking regarding follow-up measures to fully implement the liberalization of cereals markets.

There was, however, an area of successful institutional reform strategy and tactical thinking in the design of the market information system to increase market competition and

reduce risks. Researchers (MSU-CESA Food Security Project), USAID, and an entrepreneurial Malian bureaucrat played key roles in this important institution.

### 2.2.3 Political Elite and Factions at the Implementation Phase

**Motivation.** Malian observers note that contrary to Keïta's regime, Traoré's regime paid only lip service to socialist rhetoric. Opposition to liberalism had more to do with potential loss of benefits from parastatals, which were controlled by the inner circle of Moussa Traoré. For a regime struggling every month to pay its civil servants, as small as the PRMC funds and food aid might have been, they contributed needed resources for the regime's survival. Food available at relatively low prices compensated workers for delayed salaries.

**Ethnic Groups.** Outside the Tuareg population in the north, there was no ethnic opposition to the regime. The opposition came increasingly from school teachers, who suffered the most in terms of delays in salaries of up to six months. When they declared their profession, school teachers were often denied accounts or check cashing privileges at some banks. This diffuse opposition rallied a major strike in December 1985, which could have toppled Traoré's regime, according to some knowledgeable observers. Coincidentally, the "Poor Countries' War" (*la guerre des pauvres*) broke out that month between Burkina Faso and Mali. The strong patriotic sentiments that followed Mali's victory in this conflict might have helped breathe new life into Traoré's regime.

**Duration/Legitimacy of Regime.** The legitimacy of Traoré's regime was always in doubt because of its arrival by military coup, its meaningless elections, and the concentration of power and wealth in the hands of Traoré's inner circle. The PRMC reforms never posed any threat to the regime. PRMC remains a well-funded sectoral reform, which overall helped Mali achieve, relatively painlessly, market reforms that have eluded many other Sahelian countries.

### 2.2.4 Bureaucratic Interaction at the Implementation Phase

**Capacity of Technocrats.** High turnover of Malian government officials and civil servants hindered the development of technocrats able to fully manage and monitor the PRMC reforms. During the implementation phase, for example, the Minister of Economy and Planning, in moving to the Ministry of State-Owned Enterprises, carried with him OPAM/PRMC and the PRMC expatriate technical advisor, but left behind most of his Malian staff and particularly the Malian counterpart to this advisor. Thus, for a time the GRM lost mid-level technocratic contact with the program.

**Incentives.** Despite its problems, OPAM's directorship provided strong incentives to technocrats. In addition, close contact with donors has its rewards, such as training, travel, and sometimes promotion.

**Effective Institutions.** There was a lack of effective Malian institutions to implement or monitor such measures as the PRMC credit to wholesalers and AVs that were launched. The

*Comité d'Orientation et de Coordination* (COC) was created in 1982 to interact with the PRMC Management Committee from the Malian side, but was never effective. (In 1988, it had to be recreated). Instead, Malians used ad hoc meetings at the level of ambassadors and ministers to resolve difficult issues. In retrospect, given the novelty of the reforms and the uneasiness of Malians in implementing them fully, this forum was highly effective.

**Role of Technical Assistance.** The role of Malian technical assistance in the political process was limited. Expatriate technical assistants were funded by the PRMC and were in key positions, either in the ministry in charge of the reform or at OPAM. There were, however, a few cases of strong Malian involvement. One such involvement was the design of the market information system, *Système d'Information sur le Marché Céréalier* (SIM). A Michigan State University (MSU) research team and USAID staff had planted the seed for the SIM before the 1987 National Seminar on Food Policy. The Malian organizer of the Seminar (and the former counterpart of the expatriate technical advisor) strongly pushed the concept at the seminar, going beyond what the propagators of the idea had in mind by recommending that the SIM be housed by OPAM, when others thought that traders would not trust information coming from what they viewed as a competitor. This technocrat became OPAM's director the year following the seminar. Some observers suggest that it could be that he foresaw his promotion and thought of the SIM as a useful institution to add to OPAM's portfolio to increase OPAM's survival and serve his own political interest.

## 2.3 Sustainable Cereal Market Liberalization?

The liberalization of the coarse grain market as designed by the PRMC has been sustained since 1987, when prices were fully liberalized. Before then, traders were free to buy and sell grain, but prices were set by administrative fiat, not by market forces. Is the market liberalization sustainable? One view holds that with the reduced role of OPAM, private trade in coarse grain will never again be outlawed. Another view is that until the GRM and the PRMC successfully resolve problems with credit, the performance of the private market will remain suboptimal. Also, the liberalization of rice markets cannot be truly considered sustainable until pricing reform is clarified and the ON is successfully reorganized. Recent abusive practices by some traders and former high-level ON administrators have reopened the claim that if producers are left unprotected, ruthless speculators will exploit them.

### 2.3.1 Coalitions and Mass Political Pressure

**Concentrated Benefits.** Attempts were made to avoid concentrated benefits, such as for wholesalers with strong connections with the Chamber of Commerce, a key player during the credit program of PRMC II. Certain observers express concern that the public "monopoly" might turn into a private oligopoly in the rice subsector. This concern stems from the inconsistency of the GRM, which wants to protect local rice by imposing tariffs (Ministry of Rural Development), but which often has immediate needs for tax revenues (Ministry of Finance). Occasionally the timing of imports has hurt local producers. Rice trade policy,

however, has remained outside the PRMC's focus, except in so far as it has attempted to support export enhancement programs.

**New Coalitions.** New coalitions are being formed, for example among wholesaler-retailers and between some wholesalers and ON to liquidate ON's accumulated stocks.

### 2.3.2 Donor-Government Relations

**Supply of Public Goods.** The SIM is now perceived as a public good, highly valued by all market participants, including private traders. The SAP is considered one of the best of its kind in the Sahel, although its geographic coverage remains limited. The SAP's role in market liberalization may increase if it provides traders with an easy access to its information. Also, OPAM's distribution of food aid to risky zones and its National Security Stock are viewed as public goods.

**Conditionality.** The extent to which conditionality still exists in the rice subsector indicates that reform has yet to take hold. The *Lettre de Politique Agricole* is perceived as a more stringent conditionality than the *Contrat-plan* assigned to a parastatal (see Chapters 4 and 5). For example, one of the conditions is that the ON be transformed from a parastatal with financial autonomy and marketing activities, *Établissement Public à Caractère Industriel et Commercial* (EPIC), to one without commercial activities, *Établissement à Caractère Administratif* (EPA).

**Relations with Bilateral and International Donors.** The liberalization of rice markets has led the PRMC to look more closely at the pace of ON reorganization, which is monitored by another group of donors (The World Bank, EEC, France, Germany, and the Netherlands). As this other group includes many of the PRMC donors, there has been a lack of consensus on the extent and pace of the reorganization of ON.

**Resources.** Resources have been adequate to implement the program's measures. As the PRMC gets drawn into the restructuring of the ON, a larger percentage of its resources will be spent on this reform. For example, the estimated restructuring cost for ON over three years (1993-1995) is 2.5 billion CFA Francs. Already, and since the 1991/92 season, the PRMC has proposed and/or approved 2.19 billion CFA Francs for loans, stock management, transport, and marketing in the irrigated rice subsector (USAID/Bamako PRMC files). Given the high stakes in rice, and because rice remains the contentious point in the market liberalization reform, such a commitment may be worthwhile. With such a commitment, however, the PRMC must develop a sharper focus and objective with respect to rice.

### 2.3.3 Political Elite and Factions

**Institutionalization.** The process of initiating, implementing, and sustaining reforms needs to be introduced to Malians. Some donors and an increasing number of Malians are concerned about the low level of Malian participation in the PRMC and in this process.

**New Consensus.** There is need for a new consensus regarding the role of the state, including large parastatals such as the ON. Several producers, associations, and even the ON have been robbed of millions of CFAF from unscrupulous traders or would-be traders. A new consensus may be emerging to support regulations and controls to protect market participants (producers and traders alike) from these practices.

**Role of New Ideas.** New ideas are needed to help sustain the reform process (e.g. the constant monitoring of benefits and their distribution). Already, observers note that not much restructuring remains to be implemented in the cereals market. The PRMC may then become the PAMC, *Project d'Assistance (ou d'Appui) au Marché Céréalier*; that is, assistance to, and no longer restructuring of, cereals markets.

### 2.3.4 Bureaucratic Interaction

**Rules and Norms.** New rules and norms, such as ensuring quality control and fair business practices, remain to be instituted. As these rules and norms are created the discretionary power of the bureaucracy, a characteristic of former regimes, will be reduced.

**Reform Pace.** The reform pace for coarse grain has proven adequate, in part because of the strong past involvement of private traders. The pace of reform for rice marketing, however, has been slower because there is still a lack of consensus among donors, and between donors and the GRM.

**Successful Institutional Change.** Although it has not yet been formally evaluated, the SIM is largely viewed as one of the most successful institutional changes of the market liberalization program thus far. Mali's SAP (early warning system) is also seen as one of the best of its kind in Sahelian countries, although its role in market liberalization is less obvious and certainly limited, since it covers only the northern part of the country. CEFODOC at OPAM has successfully trained grain traders, but donors have yet to agree on a clear agenda for the training center.

# 3. CEREALS PRICE POLICY REFORM

This section analyzes the PRMC price policy reform for coarse grains (millet, sorghum and maize), paddy, and rice.

## 3.1 Initiation/Adoption Phase

The cereals price policy sought to increase producer prices to provide more incentives for farmers to increase grain production and to increase consumer prices to reduce the deficit of the official marketing system. PRMC's intended goal was to increase official producer and consumer prices gradually to market levels. As was the case with market liberalization, the implementation of pricing reform for coarse grains and that for rice were subject to different dynamics.

### 3.1.1 Coalitions and Mass Political Pressure at the Initiation Phase

**Public Perception of Crisis.** Because of OPAM's inability to buy and manage large quantities of grains, privileged consumers resorted to buying grain in the parallel market at prices higher than official prices. This reinforced the notion among privileged consumers that the private sector was exploiting them, since most had no clear notion that OPAM prices were subsidized. Also, because of OPAM's lack of resources and its mismanagement, most producers were not, in fact, offered high producer prices, but rather received lower parallel market prices from traders willing to operate illegally. As for nonprivileged consumers, they had been buying grain at the parallel market prices all along. Therefore, there were marked differences in peoples' perceptions of crisis depending on the stakeholder group. The most vocal group, however, remained the civil servants and military personnel, among whom the consensus was to retain lower consumer prices. Finally, coarse grain development agencies wanted lower producer prices to increase their margin when they sold to OPAM.

### 3.1.2 Donor-Government Relations at the Initiation Phase

**Sense of Urgency.** The continued need for the restructuring of OPAM enhanced the sense of urgency for policy-makers to begin consumer price liberalization. Higher consumer prices would help the GRM reduce its subsidies and OPAM its deficits. Donors also argued that higher producer prices were needed to increase producer incentives to grow more grain and therefore enhance food security. The rationale for price increases was provided by time series (by then in Bamako, the capital city, and a few other areas) that showed official prices consistently below parallel market prices.

**Perception of Need for Consensus.** There was also, however, a keen perception of a need for consensus, both among donors and between donors and the GRM. European donors, in particular, were aware of the low wages of Malian workers and the powerful voice of privileged urban consumers, and were willing to accept a gradual increase in official prices. In pushing for movement toward higher prices, donors held the view that reduced budget deficits

of OPAM would allow the government to increase salaries so that the privileged would not be hurt by price increases. Market-set prices, *verite des prix*, were to be attained gradually.

**Sequencing of Reforms.** Thus the sequencing of official price increases came from this perception of need for consensus and donors' awareness of Malians' conditions. It was agreed that prices would increase gradually (5 to 10 f/kg every year), until they reached parallel market levels. Price increases were set as *conditions precedent* for assistance to the GRM to restructure OPAM.

### 3.1.3 Political Elite and Factions at the Initiation Phase

**Selling Reform to Politicians.** The political elite resisted consumer price increases under pressure from potential losers. For example, civil servants reportedly wrote letters, security services sent reports, and the national trade union extolled the danger of rising consumer prices. Convincing politicians of the need for price increases was more difficult than convincing them of the need for market liberalization or even the restructuring of OPAM, because prices most directly and immediately affected the purchasing power of civil servants, who not only had low salaries, but also were not being paid on time.

**Support of Elites.** At this initiation phase, the Malian technocrat who became in 1982 Minister of Economy and Planning was instrumental in successfully allying himself with the inner circle of Moussa Traoré. In 1979-1980, this inner circle included the Vice President of the National Military Committee (CMLN). This high-ranking military officer had a strong farmer background with first-hand experience of traders marketing his parents' crops.

### 3.1.4 Bureaucratic Interaction at the Initiation Phase

**Critical Mass of Technocrats.** During the initial stages of the PRMC, the Minister of Economy is widely believed to have been the political champion or locomotive of the reform. There was also a large group of technocrats determining costs of production at the *Institut d'Économie Rurale* (IER) and setting prices and subsidies at the price stabilization agency, *Office de Stabilisation et de Régulation des Prix* (OSRP).

**Tactical Thinking.** The bureaucratic elite was a natural ally of the political elite opposing price reforms, for civil servants were the beneficiaries of low official consumer prices. To maintain low consumer prices, the price stabilization agency (OSRP) sought to work through the *barème* to pass the increase in producer prices to ODRs. The technocrats at OSRP reasoned that an alternative to consumer price increases, in order to reduce OPAM's deficit, was to reduce the operating costs of the ODRs that sold grain to OPAM.

## 3.2 Implementation of Pricing Reform

The implementation of reforms for the coarse grain market proved more difficult than other reforms, but ultimately more far-reaching than anticipated when the reform was initiated.

Humphreys (cited by Dioné et al, 1987) reported that during the first phase of PRMC (1981-1986), official producer and consumer prices of coarse grains (millet, sorghum and maize) were not raised as much as anticipated by the reform, except in 1981/82 (Exhibit 3.1). During the PRMC's one-year transitional phase, before PRMC II, official prices for both producers and consumers were to be eliminated. Price of paddy, however, remain fixed as of June 1993.

**Exhibit 3.1**

**Coarse Grains, Paddy and Rice: Target and Actual Official Producer and Consumer Prices (CFAF/Kg)**

| Season | Coarse Grains | | | | Paddy and Rice[1] | | | |
|---|---|---|---|---|---|---|---|---|
| | Producer Prices | | Consumer Prices | | Producer Prices | | Consumer Prices | |
| | Target | Actual | Target | Actual | Target | Actual | Target | Actual |
| 1981/82 | 40 | 43 | 53 | 58 | 50 | 50 | 110 | 115 |
| 1982/83 | 46 | 45 | 68 | 63 | 65 | 55 | 120 | 125 |
| 1983/84 | 53 | 50 | 81 | 63 | 80 | 55 | 135 | 125 |
| 1984/85 | 60 | 50 | 95 | 63 | 90 | 65 | 150 | 125 |
| 1985/86 | 70 | 55 | 110 | 95 | 100 | 70 | 165 | 165 |
| 1986/87 | 70 | 55 | 110 | 95 | 100 | 70 | 165 | 165 |

Source: Dioné (1987) from PRMC and Humphreys.

Producer price is for paddy and consumer price for rice.

In 1983 government officials acknowledged that official prices had favored consumers at the expenses of producers, but they still thought that price fixing (*barèmes*) was not the problem. Rather they thought they just lack better statistics to make them effective (minutes of the *Comité Interministériel de Coordination Économique sur les ODR*, 1983). Difficulties arose when the government perceived mass political pressure to hold the line on prices in 1984. In 1987, however, market conditions and strong pressures from the IMF contributed to a complete change of emphasis in pricing policy for coarse grain.

### 3.2.1 Coalitions and Mass Political Pressure at the Implementation Phase

In the 1970s, Mali approached France and its partners to ask them to allow Mali to re join them in the CFA monetary zone. The public perception in the early 1980s was that the decision to allow Mali to renter the zone was delayed because of opposition from Burkina Faso, then Upper Volta, especially after their border dispute flared in 1975. In 1984, however, all parties agreed to have Mali rejoin the Franc zone. The exchange rate was to be MF 2 = 1

CFAF, which the general public perceived as a devaluation. There was concern, which was proven true, that if the GRM cut salaries in half, it could not do the same for prices of basic goods. In anticipation of this monetary reform, the government hoarded important quantities of basic imported goods (sugar, oil, tea, salt) to offer them at the appropriate exchange rate. Nonetheless, prices of these products were set by retailers at parity price with the CFA, along with prices of domestic products (grains, tomatoes, etc.), which the GRM could not control anyway.

### 3.2.2 Donor-Government Relations at the Implementation Phase

**Pace.** In discussions with donors, the GRM argued that the schedule increasing official prices would reinforce public perception of the devaluation of the Malian Franc. The GRM sought to hold prices at the previous year's level. Official producer prices were to remain fixed for two years and consumer prices for three years. For the 1985/86 season, the donors won an increase in producer price, which later came back to haunt them when market prices dropped because of the good harvest season in 1985/86.

The pricing policy and the role of OPAM in stabilizing markets demonstrated the strong need felt by the PRMC donors to establish consensus among themselves before applying conditions relative to the use of counterpart funds. Even as late as 1986 there was apparently dissension among the donors as to whether OPAM should be involved in the marketplace in such a way as to stabilize prices. Donors felt uncomfortable withholding donor funding from OPAM to purchase grain for price stabilization, although they had not agreed on the role of OPAM and the scheduled price increase was not enforced.

Insight about this need for consensus, and the degree to which OPAM reorganization vied with policy change is demonstrated in the passage below (*Compte Rendu* No. 6 du 22 Mars 1986, *Comité Technique du PRMC*):

> *"As for the role OPAM should be playing in the cereals market, no agreement was able to be reached in the meeting of the Technical Committee.*
>
> - *The position of certain donors is to have OPAM purchase the quantity of grain that it can afford financially. With the reduction in role of PRMC envisaged in three months time, OPAM must accustom itself to managing according to its financial means.*
>
> - *The position taken by other donors is that the financial situation of OPAM should not be the only factor taken into account when considering constraints on purchasing, but rather the need to support its role in supporting prices in order to assist, as much as possible, the producers' investments."*

As will be discussed later, pricing policy reform and reduction of OPAM's role in the market did not make substantial progress until the IMF intervened in 1987.

**Compensatory Measures.** Compensatory measures sought by PRMC to reduce the negative impact on consumers included the gradual and moderate increase in prices and the donors' pledge of 55,000 metric tons of food aid to alleviate the potential for disaster.

Important exogenous factors affected the PRMC process. Bumper crops of 1985/86 depressed market prices to the unprecedented extent that producers were willing to sell more grain than OPAM could buy. Even privileged consumers stopped buying from OPAM and turned instead to private traders to buy grain at lower prices. Dioné et al (1987) report that after the cash-strapped OPAM stopped buying grain in March 1986, market prices in the hungry regions dipped well below prices observed at harvest, an uncommon, inverted price behavior. The following year was expected to be as good as the preceding one, and neither donors nor the GRM could increase producer and consumer prices.

**Conditionality.** In the summer of 1987, Mali negotiated an important standby loan with the IMF. One of the IMF's conditionalities was Mali's commitment to reduce its subsidies and budget deficits. In 1987, OPAM incurred ever-increasing losses because of its larger-than-expected stock, indeed the largest that the parastatal had ever bought (80,000 tons). The GRM realized that official prices of coarse grains were far out of balance with market prices and could not be supported by OPAM. Since consumers were already buying grains at market prices lower than official prices, total price liberalization had little or no risk. It was, however, a positive signal given to the IMF that said consumers would no longer be subsidized, and thus OPAM would reduce its future deficits.

Under the pressure of these two constraints, in November 1987, the GRM liberalized consumer and producer prices for coarse grains, going beyond what PRMC had planned. Scott (1988) characterized this move as "surprising" because both the common platform of the second generation of PRMC, proposed by donors in March 1987, and the 1987 National Seminar on food policy, which discussed this platform in June 1987, had envisaged continued control of coarse grain prices. **The full liberalization of coarse grain prices was one of the few instances where Mali had taken the initiative away from the PRMC donors, going beyond the reform target.**

**Tactical Thinking.** The need for protection of the rice subsector was strong among both the GRM and donors that have heavily invested in the ON, particularly the World Bank, EEC, France, the Netherlands, and Germany. For example, in the 1992 restructuring program suggested for ON, the World Bank continued to urge the GRM to commit itself to a policy of protection of the rice subsector. Because of improved irrigation structure and better extension, the rice subsector has been showing strong encouraging signs of taking off, not only at the ON but also at other perimeters, including those outside the traditional ODRs, *Office Riz Ségou* and *Office Riz Mopti*. Yields at the ON, for example, have increased from an average of 1.5 tons per hectare to 4-4.5 tons per hectare within a decade. These views carried enormous weight

when it came to implement price policy for paddy. Whenever ON-donors fell short of funds, government officials attempted, often successfully, to tap into PRMC counterpart funds.

### 3.3 Political Elite at the Implementation Phase

**Motivation.** Avoiding consumer price increases was ingrained in the motivations of the political elite. In opposing the reforms, trade unions and consumer groups relied on the fear of consumer price increases, which explains the resistance of government officials to implement the scheduled price increases. After 1985/86, with good weather conditions and fast declining market prices of coarse grains, this fear disappeared and the GRM had little to lose in lifting its control over prices of coarse grains.

**Donors' resources.** PRMC resources were instrumental in convincing GRM that the feared increases in consumer prices could be checked and that the sought-after producer price of paddy could be guaranteed. The guaranteed volume of food aid was an important cushion of security. Furthermore, large shares of the 12 billion CFA Francs of PRMC counterpart funds of PRMC I from 1981 to 1987 (Staatz et al, 1989) were allocated as follows: cover OPAM's deficit and keep it afloat (18 percent); grain purchases (48 percent); operation of a security stock (12 percent); credit to traders and AVs to buy producers' grains (8 percent); or funds to subsidize ON (1 percent). The share to ON was to substantially increase in later years during PRMC II and III, as indicated in the previous section (see also Appendix C: PRMC-funded activities in 1992).

**Constituency and Opposition.** While coarse grains involve a diffuse and weak constituency, rice involves a much more concentrated and powerful one. Coarse grains are produced all over the country, except in the desert north; producers are not organized; the coarse grain ODRs have disappeared; and consumers are mostly rural. On the other hand, the ON generates considerable economic activities in Ségou, Mali's second urban center. Observers note that the largest producers of irrigated rice in the rice developing agencies (ON, ORS, and ORM) are the politico-business elite and government officials. Rice consumers are predominantly urban dwellers and the military in barracks.

### 3.4 Bureaucratic Interaction

**Capacity of technocrats.** Administrative price setting was complicated because of difficulty of fixing *barèmes* (cost schedules at stages of the marketing channel), but the lack of reliable marketing data on which to base these computations. The Institute of Rural Economy collected data on farm budgets, but before the SIM was implemented (in 1988) price data were collected mostly in retail markets centered on Bamako. Early in the implementation phase, for example, technocrats were called to improve data collection for better *barèmes*. Despite the intricacies of the price computations, all this detail was usually brushed aside by the political party, which ultimately decided on official prices according to political pressure.

The accumulated information generated by funded studies have a critical mass of useful empirical data base, allowing donors to sharpen their arguments in negotiations with Malians. On the other hand, Malians have had uneven access to this information to build stronger counter arguments or to convince themselves of the validity of the economic rationale of reforms. For example, one *Conseiller Technique* of the Ministry of Rural Development acknowledged that the World Bank and other donors suggest protection level for rice based on world market conditions, which Malians do not fully grasp.

**Incentives.** Because they are also consumers, technocrats had a strong incentive to set consumer prices as low as possible. The market and price liberalization reforms had a negative impact on many officials' status and income. For example, employees of the OSRP, assimilated to a parastatal, had higher and more regularly paid salaries than ordinary civil servants. Some officials at the price control directorate, the *Direction Nationale des Affaires Économiques* (DNAE) had been misusing their positions of price enforcement agents to exact bribes from traders.

**Effective Institutions.** Nonetheless, effective institutions were designed or implemented during this phase. The SIM, SAP, and CEFODOC examples are discussed elsewhere in this report.

**The Role of Technical Assistance.** Over the life of the project, the PRMC used a large amount of technical assistance to conduct market studies and evaluations. Through their interaction with Malians, this technical assistance exposed Malians to new analytical tools. The multiyear MSU-CESA project, in particular, has had a long lasting impact in the dynamic process of the PRMC. The started the first systematic comparative marketing study in Mali, helping decision-makers realize that price increases could hurt producers who are "net-buyers" of foodgrain. This project also helped to vastly improve the transparency of the cereals market by systematizing price and market cost data collection and contributing to the design of the market information system (SIM). USAID, which initiated the project and continues to strongly support it, deserves most of the credit for the success of the SIM.

### 3.5 Sustained Coarse Grain Pricing: 1987 to Present

Pricing of coarse grain has been sustained since November 1987. Because market supply is abundant and consumer prices have remained relatively low, there has been no need for additional compensatory measures. Observers note, however, that the extent to which producers have gained from price liberalization remains unclear, particularly since harvests have been good and prices depressed. Humphreys reports, however, that there is some evidence that producers' implicit taxation has decreased (Scott, 1988).

An important institutional change during this period is the market information system (SIM, referring to its French acronym). The SIM's concept was introduced by MSU researc hers and the USAID Mission's staff in early 1987. Before the SIM, grain prices were collected by the Canadian Embassy and the PRMC (retail prices in Bamako). MSU researchers developed

a system that linked prices from assembly markets to retail markets in their research areas. They sought a way to institutionalize the system so that it would not disappear after their project ended. They approached the technical advisor to the Minister of Commerce, who had been given the task of preparing a national seminar on cereals policy, to discuss the platform of PRMC II. As seen in Chapter 2, the SIM was firmly supported and became OPAM's flagship, something the propagator of the idea had not anticipated. **The promotion of SIM by a Malian, beyond the original intent of a PRMC donor action, is another instance of a Malian influencing the policy agenda. The Seminar organizer took ownership of the notion that cereals markets could be regulated by transparent price information rather than OPAM's stocks.**

At first, only USAID believed in the need for market information. Other donors doubted its usefulness or its sustainability, and therefore left USAID alone to support the SIM in its initial phase. Since its creation in mid-1988, however, the SIM has proven its usefulness, even if only through casual observation, and is cited as one of PRMC's successes. Producers, for example, have increased their bargaining power with grain traders who could no longer force them to believe that prices are lower in neighboring markets. A few traders that we interviewed mentioned that SIM reduces transaction costs of price discovery and price uncertainty.

## 4. REORGANIZATION OF THE *OFFICE DES PRODUITS AGRICOLES DU MALI (OPAM)*

The reforms discussed above were accomplished in part through direct attention to the new policies themselves, but also were a function of the institutional change required of OPAM to take on its new role. The following sections will deal with the past and present restructuring of OPAM. The chapter following this one will compare OPAM restructuring with the more recent attention that donors and the GRM are giving to the *Office du Niger*.

The major institutional changes that occurred in OPAM from 1981 to 1992 include:

- Institutional mandate changed from market stabilization and food commercialization to maintaining the national food security emergency stocks
- Personnel reduced from 958 to fewer than 300
- Withdrawal of storage facilities maintained in eleven *arrondissements* to the *cercle* level
- Truck fleet reduced from 64 to 18 vehicles by late 1984
- Operating expenses reduced from 1.8 billion CFAF to 1.305 billion in 1988
- Continued discussion of OPAM as a public sector organization or an *Établissement Public à Caractère Industriel et Commercial (EPIC)*

### 4.1 Initiation Phase (1978-1982)

The changes in OPAM's role and intervention in Mali's cereal markets have been discussed in the context of market liberalization and pricing policy issues in Chapters 2 and 3. These ideologic and policy changes could not be undertaken without major institutional restructuring to accompany the new mandates with which the donors and government were grappling. In the early years of the PRMC, beginning with the decision to allow private commercialization of coarse grains (millet, sorghum, and maize) in 1981, the institutional ramifications might in hindsight seem apparent. OPAM's role as commercial provider of cereals was at stake. Its mandate, to ensure food availability to all consumers and to stabilize market prices through controlled purchase from producers and supply to consumers, resulted in the maintenance of large fleets of trucks, employment of more than 900 personnel, and poorly managed systems of grain credit and supply to a limited clientele. The changes to the institution OPAM that accompanied the changes in the macro-policy arena reflect the political forces at work at this time.

### 4.1.1 Coalition and Mass Political Pressure at the Initiation Phase

**Public Perception of Crisis.** Throughout the early years of Mali's independence (1962-1968), the overriding ideology was socialist. As in much of Africa, the government interpreted its task as one of ensuring the welfare of the people since they had neither the resources nor the administrative capacity to undertake this far-reaching responsibility. Failure to provide these services and the manner in which these efforts were implemented resulted in a change of government in 1968. However, Moussa Traoré's regime "maintained all the old systems, but for profit, not ideology" (interview with a former government official, 1993). Producer incentives continued to decline, consumer prices rose, the drought of 1973 reduced cereal supply even further, and OPAM entered a period of increasing demand for cereal on the part of civil servants. An increased deficit of supply due to poor management, however, along with overextension of credit and low prices of OPAM stocks deterred producers from selling to OPAM and reduced OPAM's liquidity even further.

By 1980, political pressure within the Malian community was mounting to improve the situation. Most forceful was the *Union National des Travailleurs Maliens*, largely made up of civil servants, the Malians most directly affected by the problems of OPAM. Once OPAM's deficits reduced its ability to purchase and supply cereal on a country-wide basis, its cereal distribution activities devolved to supplying civil servants, a few public services groups (such as the military and hospitals), and certain privileged individuals who received vouchers for grain from regional or local officials. These sales were originally intended to make it easier for them to purchase grain at a fixed price to stabilize market forces. However, as government revenues declined and salaries were paid later and later, grain purchases were increasingly funded with credit, adding to OPAM's deficits. When the lack of cereal at OPAM finally reached crisis proportions, it was not a change to market liberalization that the union was requesting, it was infusion of new funds and improvements in OPAM's operation that these groups required. Distrust of the private sector continued to be the prevailing sentiment in Mali, and the push for change by the trade union merely coincided with other forces at work that have already been described.

The trade union and various urban consumer cooperatives took their case to the President. Through letters and delegations to Ministers and the President, the trade union drew attention to OPAM and applied some of the pressure that eventually forced the government to action. That the actions finally taken were not those the civil servants expected was due in large part to the World Bank, the donor community, and PRMC involvement. In fact, many of the difficult measures involved in restructuring OPAM operations did not take place until late PRMC I and early PRMC II, through an ongoing process and continued pressure from donors.

**Consensus Building.** In 1980, the Government of Mali and the donor community together held the *Séminaire National sur la Restructuration de l'OPAM et du Marché Céréalier.* This forum began a process of building consensus on the need for change, although the form and depth of that change remained largely unspecified, with the exception of officially allowing private sector entry into cereals marketing. In fact, the following years of successful market

liberalization developed over time the slow acceptance and consensus building that finally resulted in peaceful and significant organizational changes in OPAM. (Trade union and urban consumer cooperative pressure on the government to maintain OPAM functions of cereal provision continued until approximately 1986-1987 when the price stabilization role of OPAM was discontinued and its food security stock [*Stock National de Sécurité*, or SNS] function solidified.) During the initiation phase, little producer or private sector opinion was sought, as their organization and ability to apply pressure on the government was minimal. The traders' memory of their revolt against the Malian franc and market control in 1962, which had been aggressively subdued, contributed to the lack of concerted action, but in fact the entire dialogue surrounding these issues appears to have taken place only within the higher official levels of the public sector on the one hand, and with the civil servant beneficiaries of OPAM cereal on the other.

**Previous Style of Adjustment Discredited.** The effects of the World Bank's pressure for structural adjustment have already been mentioned as playing a major role in the initiation of change in market liberalization. On the OPAM reorganization front, OPAM's inability to function financially or to effectively carry out its mandate provided ample evidence that change was needed.

### 4.1.2 Donor-Government Relations at the Initiation Phase

**Sense of Urgency to Act.** The donor community's sense of urgency in the area of market liberalization took time to gather impetus (1977-1980), but when it finally did, it was quite strong. Technical reorganization of OPAM's operations occurred quickly, following and building on the success in this first area. Donors provided technical assistance to OPAM throughout PRMC I, focusing mainly on reducing staff, improving ongoing management of stocks, and instituting more rigorous financial tracking practices. They did not, however, successfully address the conflicting requirements made on OPAM: its position as a money-making entity for the state, its mandate to provide low-cost cereals to consumers, and its mandate to ensure competition and regulation in a liberalized market at fixed producer and consumer prices. The larger picture of OPAM's organizational mandate, and therefore its changing needs, was not addressed. The eventual structural changes implemented resulted from the final steps taken to eliminate OPAM's role as market stabilizer in 1987. With this change in mandate the first PRMC II reduction-in-force at OPAM occurred quickly in 1988. The second occurred in 1989. Reduction in OPAM operations, conducted country-wide, followed the change of mandate for cereals purchasing during the next two to three year period. Although agreement regarding the need for OPAM reorganization and down-sizing was reached during an initiation/adaptation phase in the early 1980s, actual implementation followed much later.

**Donor Resources.** Accounts of the willingness of PRMC donors to cover the cost of voluntary retirement and indemnities to laid-off workers reveals that the donors were quite aware of the government's risk in undertaking these actions. Promise of donor resources not only supported the costs of reducing OPAM's role in the cereals market through lay-offs, garage, and storage functions, it also helped OPAM:

become a more autonomous agency through technical assistance designed to improve its systems and technical management of cereals stocks. Donors provided full-time technical assistance to help design and implement OPAM reorganization. West Germany financed a storage master plan to review storage policies, upgrade and expansion options, and also financed the National Securities Stock. The UK provided storage technology, the FAO training, and the World Bank marketing consultation. The French helped set up an accounting system for OPAM by division, commodity and region to track internal handling costs of cereals. (Steffen, 1990)

A counterpart/technical advisor to the entire PRMC program was funded initially by the World Bank (and later, beginning in 1987, by the EEC). The application of these resources enabled the donors to continue to receive technical insight on the ground, and gave the Government of Mali the option of pointing to outside pressure, should a scapegoat be needed.

Donor resources also supplied another extremely critical element of the entire reform program during both initiation and implementation phases: analytical research. Research supported by USAID, Canada, France, and others contributed greatly to the donor dialogue on technical issues related to the reform activities in market liberalization, the SIM, and the cereals market in general.

**Sequencing of Reforms.** The pattern of reforms described in preceding sections and in this section reveals that the accomplishment of change was in some ways slow, but that each step benefitted from the others that had gone before. The six years it took to eliminate price fixing, thus changing the role of OPAM in market stabilization, not only produced consensus building from the point of view of getting everyone on board, but also reflects the time when global theory of market forces and public/private sector roles were evolving. The application of reform measures followed a sequence that in hindsight appears logical and orderly, although undoubtedly its lack of speed caused frustration at the time.

**Conditionality.** Conditionality took the form of "Common Platforms" agreed upon through donor-government dialogue, with "Contract Plans" developed for each phase of the PRMC. Policy goals and "conditions" were stated in such broad terms as the following (OPAM's Statutory Objective 1982-1988):

- Supply cereals to public service institutions.
- Supply cereals to deficit zones of the country on the basis of an annual plan.
- Constitute and manage reserve and security cereals stocks at national levels.
- Assure adherence to official producer and consumer prices through market stabilization.
- Manage and distribute cereals food aid.

The use of contract plans was not specifically instituted until Phase II, but clearly conditionality was used to support and ensure attention to detail and implementation, and was a major tool in OPAM restructuring. [4]

**Perception of Need for Consensus.** While in many reform programs conditionality is used to force an action on the part of the target government, in this case such actions were tempered by the need for consensus among the donor members of the PRMC. The varying official and policy positions, range of technical expertise, and different spheres of *project* activity and investment combined to modify the speed and pressure placed upon the government for reform measures. FAO's particular interest in training (CEFODOC), USAID's involvement in market information systems (SIM), the EEC/French/Netherlands interest in rice production, weave through the reform dialogue. The presence of so many varied players with their own bilateral projects provided technical background and knowledge of on-the-ground activities that is often limited in donor policy dialogue, when policy reform is undertaken by a single donor. While PRMC focused some attention on the *Office du Niger* since mid-PRMC I at least, few concrete actions were taken that really addressed its problems, largely because consensus in the donor PRMC community was lacking (see Chapter 5).

Consensus building between PRMC donor members and with ministries, other than that charged with PRMC and OPAM oversight, was minimal. Early ministry involvement in PRMC initiation included the Minister of Economy and Plan until 1984, when OPAM moved along with its then-Minister to the Ministry of State-Owned Enterprises (1984-1986).[5] This Minister, as the key recipient of PRMC counterpart funds, appears to have been responsible on his own for lining up other ministry support and reducing dissension in his ranks, with little donor assistance. Donor dialogue with other government entities, with the exception of a few trips to visit rice projects and a very occasional joint meeting, consisted mostly of formal meetings on specific items for discussion during high-level donor/government meetings where positions were likely already staked out.

Donors that worked with other ministries (Ministry of Rural Development) on bilateral projects, such as Village Associations and rice production, developed particular views that they brought with them to Technical Meetings. The information gained through participation and support of bilateral projects often served to influence and inform the positions of individual PRMC donor members, and thus consensus was needed to arrive at agreement on certain topics. Clearly, it was not reached in all cases, as the lagging attention to the problems of *Office du Niger* attest (see Chapter 5).

---

[4] PRMC Contract Plans specified particular actions to be taken, and the level of financial assistance in food aid and financial aid that would be deposited in the OPAM fund. Most of these actions concern the management of food aid and the national security stocks (such as purchasing cereal stocks through commercial bid), along with very specific instructions to improve the efficiency of OPAM (i.e., maintaining fewer than 300 agents, and reducing the ratio of personnel to expenses to less than 0.45, as in the Contract Plan of 1990.

[5] OPAM's final move was to the Ministry of Economy and Commerce in 1988, included in the portfolio of the Minister who was again reassigned.

During the initiation phase, ambassadors and chiefs-of-missions met directly with ministers and their conseillers to finalize decisions and negotiate details. Each side reportedly prepared their position in advance, the donors meeting in their Technical Committee, and the ministries in their Interministerial Commission or through technical discussions taking place in the National Commission for the Monitoring of the Marketing Campaign (*Commission National du Suivi de la Campagne de Commercialisation)*. The donors would then prepare their chiefs-of-missions and/or ambassadors through the Management Committee, and the Malians their ministers. The two parties would then hold a *Réunion Conjointe* to come to final decisions. During implementation, as PRMC reforms became less controversial and built up momentum, and as other programs and problems vied for the attention of the decision-makers, pressure to reduce the amount of input needed from high-level officials grew. Over time, donor/government relations changed quite markedly. In 1988, the outgoing Minister of Economy proposed a formalization of the *Comité d'Orientation et de Coordination* (COC). In 1988, this committee replaced the high-level discussions of the early years when much of the interaction between the GRM and donors took place in face-to-face meetings at the highest levels. In 1988, the COC was formalized and became the forum where GRM officials and donor PRMC participants would meet.

Consensus building between donors on PRMC issues is a key factor of its success as a program. The unusual circumstances that led to the coalition formed by the donors in 1980 (crisis of food aid and OPAM mismanagement, policy champions in the GRM, and World Bank pressures to privatize and liberalize) continued because of the ***early successes*** that donors and government alike could point to, and that formed a building block for donor coordination. In later years, the "culture of consensus" was so strong that it carried the donor members on in times of great difficulty. It no doubt also resulted in some issues not being addressed quickly, such as the forced restructuring of ON. Nevertheless, the consensus building processes, within the Technical Committee particularly, and the growing knowledge of each individual donor's country policies (e.g., France not able to hire a Malian in Mali to act as a Technical Advisor, or the U.S. not able to provide financing for particular kinds of projects) built up their own momentum and have contributed greatly to the lengthy reign of PRMC as a player in this sector.[6] Financing OPAM's reorganization was a direct result of the form of consensus building used by donors in the PRMC, particularly in their work to establish plans for PRMC II.

---

[6] It is worth noting that this ability to work around individual donor policy and style is not easily accomplished. It probably explains why donor coordination and collaboration, particularly to the extent found in the PRMC, is rare. For example, several donors routinely pay host country government employees "honoraria" for producing reports and inputs to conferences that the U.S. would perceive as part of their normal job responsibilities, and not to be additionally compensated. Other donors question the U.S. policies on hiring host country nationals to act as technical advisors to their own governments. Different ideologies about participation and broader "development theories" also appeared in the dialogue surrounding PRMC. These donor-specific policies and approaches, which often block donor collaboration, were able to be accommodated through donor flexibility and consensus building in the PRMC. This successful coordination may also demonstrate the extent to which the original problems were overwhelming, and a confluence of circumstances, personalities, and strategies was present.

### 4.1.3 Political Elite and Factions at the Initiation Phase

**Selling Reform to Politicians.** For politicians to accept change to the status quo, their interests must be considered and their risks minimized. As one donor told the team, "every time a proposal was put forth to the GRM, the first thing they considered was how it would affect them and what the dangers to them were." While conditionality and a confluence of pressures were key to accepting policy change, inertia, lack of positive actions, and outright blockages have often caused policy reforms to wither. In the case of PRMC, several tactics beyond those mentioned above were used to sell policy reform to the politicians (both government and donor), and some which could have been used were not.

- Research was conducted with a few Malians participating in technical research efforts undertaken in the cereals market sector. A technical, academic elite formed a center of knowledge on marketing, pricing and cereals management, which, by virtue of their access to both Malian and donor decision-makers, enabled analytical arguments for certain measures to occur.

- The above research was not widely disseminated in written form. Only a few officials received any of the research reports (the MSU research seems to have received widest distribution), and the team was unable to find any evidence that disseminating research information was a conscious strategy used to inform and influence pertinent policy decision-makers. The dissemination of information appears to have been perceived as a courtesy from donors to GRM officials, and not as capacity building or a selling technique to build strategic support. The difference in access to information can be seen by talking to the Malian USAID PRMC representative, and certain of the COC members to whom this information was not made available on a regular basis. The discussion regarding technical issues of cereals marketing policy with the former is informed and strategic, and with the latter dependent on hearsay and gut reaction.

- Individual selling occurred between donors and GRM officials as described above. In addition, individuals within the GRM took care to line up their support in advance (see "Policy Champion" section). A case in point is the recent invitation extended by the *Office du Niger* who wanted to sell their view of price fixing of rice to the PRMC donors. The ON, working with producer groups, invited a rice farmer to come to a joint meeting and give his views. His eloquent testimony put pressure on donors to revise their requirements for pricing. Though in this particular instance the decision did not change, it demonstrates a clear sense of marketing savvy and strategy planning on the part of GRM politicians.

- Promises of offsetting measures to inspire agreement by politicians were used (in addition to conditionality measures). For example, a compensatory measure *(mesure d'accompagnement)* that was promised was access by the government to

funds originally used in paying for subsidies to increase civil servant salaries, making the changes at OPAM less costly to individual workers.[7]

**Support of Elites.** Some of the slowness of PRMC reform in price and market stabilization areas can be attributed to the control of elites and elite consumers who would be directly affected by these changes. OPAM's internal reorganization was influenced little by pressure from this source.

**Political Management Skills.** The politicians involved in the restructuring of OPAM displayed a variety of political management skills. They ensured that costs would be paid by donor programs through negotiation and slow movement toward reconciliation with donor requirements. They negotiated small steps and changes in policy over time, instead of allowing donors to implement rapid changes that might have been preferred. They put off major restructuring and changes in market stabilization activities until trade unions were no longer interested in or benefitting from OPAM cereals, since they had by this time gone to the cheaper cereals available in the market. The government officials also made major decisions behind the cloak of the *Conseil des Ministres,* where individuals would not be held responsible for unpopular decisions.

### 4.1.4 Bureaucratic Interaction at the Initiation Phase

**Policy Champions.** The first policy champions of PRMC in the Malian government were the then-*Directeur de Cabinet* (Chief of Staff) for the Vice President of the ruling military committee (CMLN), the Vice President, and the then-Minister of Economy and Plan, particularly the former. This individual was named by several interviewees as one who agreed ideologically and by foreign (French) academic training with the market liberalization movement, and had enough political clout even in the early years to be able to martial support among other politicians. By virtue of his academic training and his eloquence in government meetings, he apparently successfully overrode or co-opted any dissension from the Ministry of Rural Development, the Ministry of Transport, and the Ministry of the Interior. He also made sure that the individual ministers, particularly the Minister of Rural Development, sat next to him at all meetings, sharing the seeming responsibility, as well as the congratulations, of other politicians. Eventually, he was appointed Minister of Economy and Plan and held the OPAM operation under that ministry, and later, when he was named Minister of State-Owned Enterprises, he took OPAM with him to be housed at the new ministry, from 1984-1986. This policy champion worked with and seems to have groomed many of the individuals who later were directly involved with PRMC, including the current head, the *Président Directeur Général* (PDG) of OPAM, the *Conseiller Technique*, whose dossier includes PRMC, and the former PDG/OPAM already mentioned. Although many of the activities taking place in actual

[7] This particular measure was never implemented due to the fact that the World Bank and IMF in the meantime imposed strict government wage bill freezes (both numerical numbers of civil servants and freezes on salaries) that did not allow this measure to be applied. Fortunately, the success of market liberalization on market prices as well as several good harvest years ensuring adequate supply in the markets made the lack of implementation of this program irrelevant.

restructuring of OPAM under its new mandate of 1987-1988 did not occur during his tenure, he set the stage for policy reform in this area. His efforts in this area have been described in Chapters 2 and 3.

**Tactical Thinking.** Government policy champions were quite aware of the risk they were taking in pushing these reforms. The former Minister describes the use he made of the *Bureau Exécutif Central (BEC)* and the *Conseil des Ministres* as forums for negotiating new reforms and convincing the unwilling, but also as a way to avoid associating an unpopular action with only one or two players. The policy champion reduced his risk by masking what was only the conviction of a few, by the agreement of many.

Later Ministers appeared to have less involvement with day-to-day decision-making around OPAM and the PRMC in general, largely shielded by the expatriate technical advisor and their *Conseillers Technique*, which may in itself demonstrate tactical prudence. However, it was more likely tactical on the part of the expatriate technical advisor who found himself reporting to eight Ministers in twelve years. To continue forward movement, this advisor took over more and more the drafting of memorandums and letters laying out positions on both donor and government sides. (Some Malians believe that his ability to go directly to the Minister cut down their involvement and authority.) Agreement on the donor side was reached after discussions in which the advisor was involved, and by all accounts (both donor and Malian) representing well the interests and position of the Malians. Agreement on the Malian side and how that was reached is less certain; the technical advisor had no direct full-time counterpart after the one was left behind when PRMC/OPAM moved to the Ministry of State-Owned Enterprises, and seems to have had direct access to the various ministers to provide his advice.

**Critical Mass of Technocrats.** The policy reforms in OPAM benefitted more from a critical mass of political power from the top than a critical mass of technocrats. During initiation, there is little evidence that any technocratic element in support of the PRMC reforms existed. Through groups such as the OSRP some technocrats had input into the cereals market dialogue, but there is little sign of involvement in the initiation dialogue. Although the COC was informally constituted at the time of PRMC I, it never actually functioned. As the reforms were implemented, and OPAM restructuring became of secondary importance, the technocrats developed a bit more control over the process, both through the COC (formally re-created in 1988) and in positions such as the PDG of OPAM and the *Conseiller du Ministre* position appointed to manage the PRMC dossier (among his many other duties). However, it is probably because of the dilution of power to the technocrats in the COC that policy decision-making devolved in large part back to the donor committees. While discussions continued to be held in the COC, they were infrequent (donors met every week, the COC four to six times per year) and did not include decision-making for management of the counterpart fund. Discussions in the COC addressed details of positions already staked out by the donor community, and agreements reached by the PRMC technical assistant to the GRM and the Malian officials with whom he worked most closely, before discussions reached the COC floor.

The make-up of the COC is diffuse, with more than 20 institutional members, named by governmental decree. PRMC donors also attend the meetings. Many of the institutions appoint as their representative to a given meeting whoever is available, so that knowledge of COC technical matters does not grow in one individual. Not only are there over 20 institutions involved (such as DNA-COOP, SAP, IER, CCIM and others), but also organizations often send as many as three individuals at one time. Originally, it was intended that each organization have a high-level official assisted by a subordinate, with the subordinate generally attending the COC meetings and reporting back to the supervisor. Often, however, the official did not trust the subordinate to attend and represent the organization well enough on his own, so both would attend the meetings. Eventually, the COC was attended by two to three individuals from each organization's mid-to-low-level staff. This situation led to a lack of Malian cadre with appropriate education, technical understanding, or decision-making authority. Many also lack a historical knowledge of PRMC technical issues because they attend meetings only occasionally, and lack opportunities to increase the depth of their technical knowledge, as they do not routinely receive research reports. In fact, the COC represents a surplus instead of a critical mass of technocrats, to the detriment of the real decision-making involvement and capacity building of the Malians.

**Autonomy.** OPAM experienced autonomy from politicians during this period in the sense that they were not involved in the internal management workings of OPAM. However, autonomy from donors was less apparent, as the Management and Technical Committees, and particularly the technical assistants provided under various donor programs, were highly involved. Although the former PDG/OPAM describes himself as having been left without support, both from his Minister and from donors (other than financial) during his years of OPAM restructuring, this is difficult to confirm as there were at least four PRMC donor-funded technical assistants working in OPAM at the time. In addition, the attention of PRMC focused closely on OPAM operations in light of the stabilization role changes, albeit from a distance. A former PDG/OPAM says there were some problems with at least one technical advisor; the relations between these individuals and the PDG may have led to a feeling of isolation, as opposed to teamwork, in accomplishing OPAM's reorganization.

**Parallel Markets.** The issue of parallel markets has no impact on OPAM reorganization, other than that which has been described in the sections on market liberalization.

### 4.2 Implementation Phase (1982-1993)

Implementation of OPAM reform is an ongoing process that started with the market liberalization activities beginning in 1982. Currently, discussions are underway for further reorganization within OPAM, as its mandate to provide food to "chronically deficit zones" is debated.

### 4.2.1 Coalitions and Mass Political Pressure at the Implementation Phase

**Protests.** The implementation of reduction-in-force measures in OPAM (in 1986 from 958 to 718, in 1988 from 718 to 368, and in 1989-1990, from 368 to fewer than 300) did not meet with much outward protest in the form of marches or even debate. Discussions did occur between trade unions and OPAM to determine the retirement awards that would be given, but at the time *L'Accord d'Établissement*, enacted in 1991, which established a labor code for Malian government workers, was not yet in place. The early descriptions of reduction-in-force describe measures apparently accepted, if not happily, at least without outward opposition.

During the current changes that OPAM is facing, however, there is more open opposition to the proposed reduction-in-force. Not only is the labor law now being invoked (to the financial stress of OPAM and/or donors), there is also more organized pressure by workers (probably as an offshoot of the democratic environment they now find themselves in), and less willingness to accept unquestioningly the measures imposed from above.

**Winners/Losers.** A list of winners might include farmers and traders who no longer had to compete with the public sector, but these groups were dispersed and unorganized and especially in early years were not easily mobilized to support OPAM reform measures. Losers, at least in their own perception at the time, included urban dwellers, particularly the 40,000 or so civil servants originally benefitting from access to OPAM grain. However, by the time reorganization of OPAM was implemented, neither they nor the military concerned with the withdrawal of services. Individual politicians may also have been losers, as they undertook difficult and unpopular reforms described above, particularly the PDG/OPAM. Although it is impossible to verify, one interviewee expressed the opinion that the PDG of the time was being groomed and had ambitions to become the future Minister of Economy, and that, among other things such as the change in government, his association with OPAM may have forfeited this appointment. His government appointment now is one quite reduced in profile, has nothing to do with his academic training, and is basically a dead end.

The major losers, of course, were the OPAM staff, whose jobs and incomes depended on continuing the status quo. In the first stages of reduction these individuals did not come together in a strong way to protest, but the current set of OPAM staff at risk is doing so. In addition, former OPAM employees have also been convoking the current PDG to the tribunal to seek additional compensatory measures which, if granted, will set new precedents for compensation. They will certainly make future reduction activities more risky and provide additional disincentives to the PDG to undertake reforms, unless other incentives or risk-reducing mechanisms are provided. The current PDG at OPAM may well become a political loser if he is not able to continue to stick to reform measures imposed by PRMC requirements. He will also be a loser if he does implement current requirements for OPAM reform, in that in spite of his successful management of OPAM, his staff will see him as powerless to protect them in the face of continuing reduction pressures.

**Compensatory Measures.** Compensatory measures for staff reduction included early retirement benefits, indemnities, and preferential access to credit to start their own businesses, made possible by PRMC guarantee funds and intervention with the banks. Additional compensation measures include the SIM and CEFODOC units that OPAM succeeded in having placed in its organization, allowing OPAM to change its role in a positive manner, as a public sector institution providing public services. Training continues to be provided to OPAM employees to improve their capacity to manage their tasks (cereals storage, financial management, and other) as well as to provide incentives and allow them to take on new roles.

### 4.2.2 Donor-Government Relations at the Implementation Phase

**Pace.** The pace of implementation of reform measures has picked up. During the first six years, when PRMC restructuring of OPAM was being initiated, the hardest-hitting organizational reform measures were not implemented. The one reduction-in-force that occurred, reducing staff from 958 to 718, was apparently done on a completely voluntary basis or through attrition, and was part of a government-wide reduction in the wage bill required by the World Bank. Beginning in 1988, however, two serious reductions occurred and another is envisioned. Management of storage functions was reduced from the *arrondissement* level to the *cercle* level as the market stabilization activities were eliminated and fleets of trucks were reduced. The continual problems facing OPAM, in spite of improvements in management and financial control, finally resulted in the IMF pressuring for change in OPAM's mandate, accompanied by donor acceptance and support of reorganization measures. It took an additional three years (from 1987 to 1990) to move from a transitional Common Platform to a structured Contract Plan with the government.

**Conditionality.** The same conditionality forces at work in early reform activities were applied here. The World Bank and IMF provided funding pressures to force the pace of change, and the donors used the PRMC counterpart fund to support the organizational changes that were needed to enable OPAM to make the transition from carrying out one mandate to carrying out another.

According to individuals interviewed, by 1986-1987 there was little resistance to continuing reorganization of OPAM; the writing was on the wall. The discussion at this point centered on the form and accompanying measures to ease the transition, not on whether a transition was needed. However, until 1987, the team found little evidence of donor dialogue regarding the need for doing away with the market stabilization role of OPAM; most discussion concerned how to set prices appropriately, volumes and locations of intervention, and reducing OPAM's operational costs. The pressure to do away with price fixing and OPAM's market intervention appears to have been provided by the IMF in 1987 when the IMF made this a prerequisite for further assistance. It came as a shock, in fact, to the PRMC donors who, in *Compte Rendu No. 12 du 17-02-87,* stated:

> *"The Secretariat brings to the Management Committee's attention the fact that so far no information from the World Bank or IMF has been furnished to PRMC on the following*

*subject...Informal discussions have revealed that...major plans of action that the IMF has proposed to the government include [regarding OPAM]:*

- *The role of OPAM must change to food aid distribution, provision of public services, and the management of a national security stock.*
- *In this regard, it is affirmed by the IMF that no regulatory or market stabilization role should be played by OPAM."*

Clearly, in this instance at least, PRMC was out of the loop.

Conditionality and consensus building between and within the donor/PRMC and GRM/PRMC actors played a role in the structural reform of OPAM in various forms. The expatriate Technical Advisor to the Minister maneuvered delicately to make palatable to the GRM any pressure that withholding of funding represented. Instances of donor sensitivity to closely linking funding approvals with other reform requirements potentially causing the GRM to resist can also be cited (see Exhibit 4.1).

**Exhibit 4.1**

**Minutes from Technical Committee Meeting of 2/24/86**

Regarding the Committee's advisory council to the Management Committee on the subject of paying the overdraft of the *Office de Stabilisation et de Régulation des Prix (OSRP)*, it was stated that "the Technical Committee advises the Management Committee not to satisfy this request, given the passivity of the Office du Niger vis-a-vis their liberalization efforts.

**Minutes from the Technical Committee Meeting of 3/22/86**

The correction [to the memorandum under discussion] proposed by France, which preferred not to link in the same letter the payment decision with the discontent [regarding the speed of liberalization] expressed by the donors, was accepted.

**Institutional Reform Strategies.** The reform program for OPAM was clearly defined in the official statement of its changed mandate, the Contract Plan of 1990. Technical assistance provided by donors, as well as ongoing dialogue, guided actual steps in organizational change throughout the next few years, although there is no evidence of an "organizational development" expert being called in. The clearest reform strategy appears to be the one that enabled OPAM

to define some new areas of service to the public, replacing the old. These are described in the "Donor Resources" section below.

**Timing of Financing.** Financing made available by PRMC has always benefitted from the fact that it is a multiyear commitment on the part of the donors, established in advance. The government has been reassured by this level of commitment, and has been able to take some of these difficult steps because of it (Steffen, 1990). Its flexibility and the donors' willingness to make adjustments if presented with reasonable justifications has also helped. Some occasions of less than timely application of resources to deficit zones or to problems perceived by the government have been quoted, but these appear to be relatively minor in the overall twelve-year period. One recent inappropriately timed donation was quoted by a fellow donor as being a 10,000 ton donation of rice by the U.S. in 1988, when all donors had agreed not to supply rice at this time so as not to compete with local production. This donation was made by the intervention of a political figure in the U.S. who wanted to provide a market for his state's rice production, and USAID was unable to refuse it. The presence of this rice in OPAM storage caused contention among donors and worried the GRM because of its effect as a disincentive on producers.

**Level of Financing.** Financing to support OPAM reorganization appears to have been adequate, as the restructuring has indeed been accomplished. Some individuals have expressed the opinion that the funding has on occasion been too generous, resulting in project activities that have been dispersed and not always well thought out. However, as a new program in a changing environment, these tentative explorations have provided data for future application of funding to more effective interventions, as financial assistance levels off or even declines.

**Tactical Thinking.** Tactical thinking in support of OPAM restructuring is evident in the supply of *mesures d'accompagnement*, which enabled OPAM to reduce its staff without risking uprisings. The PRMC counterpart fund was consciously used to ameliorate the effects of OPAM lay-offs in what is known as a *plan social*. The use, by the GRM and PRMC donors, of the 1987 National Seminar to surround the difficult issues with public dialogue and build consensus, also demonstrates tactical thinking. The choice of individual to head OPAM at this time may also be the product of tactical thinking, as he had been part of PRMC activities for many years, was familiar with the issues and the players, and seems to have had the strong-mindedness needed to undertake these reforms. The current PDG is also a long-time associate of PRMC, and in addition has an entrepreneurial and managerial bent that was evident in the team's meeting with him, and which will be described later.

Perhaps one of the most tangible forms of tactical thinking was the consensus building that reoccurred in the 1987 *Séminaire National sur la Politique Céréalière*, resulting in more substantial implementation of OPAM reorganization. This conference, which preceded PRMC II and the transitional plans leading to the PRMC III Contract Plan, was attended by donors, officials, and representatives of the private sector. Although many of the difficult questions about specific steps to be taken were not resolved, the overall thrust of the conference, particularly reflecting on the success of the market liberalization efforts, opened the door for

further, possibly more difficult, policy ideas to be introduced. Key among them was the price fixing issue discussed in Chapter 3. With energies directed toward this topic, the organizational changes that would result at OPAM were mere by-products of the mandate changes being implemented. These changes are revealed by comparing the earlier "statutory objectives" mentioned above with the following objectives finally agreed upon in the Contract Plan of 1990-1993.

- Total liberalization of cereals marketing, prices, and cereals transport
- Promotion of the private sector and associated entities in the marketing domain
- Evolution of an appropriate role for the government through managed disengagement

The public debate on OPAM's reorganization, then, was relegated to a tangential position that more or less depended on the outcome of the price fixing debate. By this time, the reorganization of OPAM concerned mainly the 718 civil servants who worked there. Surprisingly enough, the Minister of Finance, although OPAM was by that time in his portfolio, does not appear to have felt particularly protective of this piece of his turf. In any case, by the time the reorganization of OPAM became a reality, the original constituency—civil servants in trade unions and public service groups who originally were supplied from OPAM's cereal banks—had largely acknowledged that they were surviving and indeed benefitting from the liberalized private sector cereals market.

Other forms of tactical thinking (and consensus building), besides the pressure of funding, also occurred. Although less frequent in later years as contact between individual donors and officials became more formal and took place in meetings, some informal exchange and marketing of views did occur. The Malian counterpart to the expatriate technical advisor in the Ministry of State-Owned Enterprises (1985-1986) and Conseiller Technique in the Ministry of State-Owned Enterprises (1986-1988), recounts how he attempted to sell donors the idea of CEFODOC-like activities in OPAM during his tenure as PDG/OPAM (1988-1991):

> *I tried to sell USAID on the idea of a center for training of traders, cooperatives and producers, but their policies did not allow them to finance a public sector institute in that way. I also went to the Canadians to sell my idea, and to others, but none was willing to finance it on a bilateral basis. So then I got the approval of my Minister to take some initial steps — clearing out a storage room, repainting it, and putting up a blackboard — and I also put together a newsletter of ideas and got radio and television time to announce the new activities that OPAM was going to start. Then we got a small group of traders together for a training on the market information system and other things, and I sent out a newsletter describing this training program, as well. The World Bank sent back a message to congratulate me on this activity, and I included their congratulatory*

*note in my next newsletter. After that, the donors came to me. I prepared a budget and submitted it to the COC, and it was approved.*

Informal exchange of views does, of course, still occur. However, there seems to be less direct exchange and discussion between individual donors and individual GRM officials, at least on PRMC-related issues. While both pros and cons can be made for this, the lack of informal exchange of views likely affects the consensus building that occurs between the GRM and donors, especially for those who do not meet in the course of other project interactions.

**Motivation (Ideas, Party, Donor Resources, Constituency, Ethnic Group, Diffuse Opposition).** There were clearly several motivating factors in the GRM's decision and ability to reorganize OPAM. Obviously, the pressure supplied by donor conditionality was one. But **donor resources** also played another role. They enabled OPAM to construct for itself a new set of responsibilities, key among them the *Système d'Information sur le Marché Céréalier (SIM)* and the *Cellule de Formation et de Documentation (CEFODOC)*. The inception of these two activities, public sector services in nature, may have been due more to a confluence of circumstances than a conscious decision, but the result was certainly positive for the OPAM organization and the political dimensions of the decision. Placing these two activities in OPAM gave a new purpose to an organization that was quickly losing mass, status, and constituencies. It allowed them to gain a measure of technical expertise that was marketable, and, in the case of SIM, on the cutting edge. The supply of donor resources in these two areas allowed a peaceful transition in which risk to the government and the policy champions was minimized. Other donor resources providing technical assistance have been mentioned above.

The motivation of **ideas** was also a factor in this change. The IMF pressed the GRM for the change in market intervention that sparked the reorganization, but it moved quickly because of the presence of the Minister of State-Owned Enterprises, and later the 1987-1989 Minister of Finance, both of whom believed in free market principles. As one individual put it, "this minister was trained in the French School of Business, while many other politicians of the time were trained in the Soviet Union and had no interest in these ideologies."

**Diffuse opposition** also played a role, as described in earlier sections. There was limited opposition to begin with, and although somewhat organized (OPAM workers), it was spread throughout different regions, and was not particularly powerful numerically. No other major sources of opposition were identified.

No particular **ethnic group** appears to have either won or lost because of these reforms.

In the first two phases of PRMC, there was one **political party** that operated country-wide and whose position was reflected in the GRM position. However, new democratic activities in Mali have created multiple parties involved in government dialogue. The ADEMA party won the 1992 elections, but in 1993 formed a five-party coalition with opposition parties. Some of these opposition parties have laid out strong positions on some issues (US-RDA wants to eliminate all subsidies to urban consumers and develop rural infrastructure and equitable

distribution of resources to rural areas; CNID is particularly interested in supporting cooperatives and village associations, etc.). OPAM reorganization is unlikely to be affected in the future by these activities, although market operations in general and market protection may be affected.

**Duration of Regime/Legitimacy.** The past several years have been marked by a vast amount of political uncertainty, with changes in government occurring quickly and frequently. As mentioned earlier, there have been eight ministerial changes alone affecting PRMC in the past twelve years. Changes in personnel at other levels have also been frequent, with at least four changes in PDG/OPAM over twelve years, and as many or more changes with *Conseillers Techniques* and donor representatives. Under these circumstances, the success that PRMC has known might well be considered nothing short of astounding. Some of its continued effectiveness is due to the donor role and the need of each regime for donor services, and some has been due to the institutional history and knowledge of the political tactics needed that are possessed by the expatriate technical advisor.

### 4.2.3 Bureaucratic Interaction at the Implementation Phase

**Capacity of Technocrats.** During the restructuring of OPAM that followed the change in OPAM's mandate in 1987, another policy champion appeared, the new Minister of Finance and Commerce. This individual (also a former apprentice under the original policy champion (the Minister of State-Owned Enterprises) strongly supported the IMF's pressure to get OPAM and the government out of the market stabilization business. In fact, he was perceived by the donors as moving much more quickly than they anticipated or perhaps even wanted. In the broader arena, this Minister of Finance was a key mover and promotor of reduced state intervention.

Relative to the actual internal restructuring of OPAM and the capacity of technocrats involved early on, several individuals were involved on the Malian side with OPAM reorganization. The PDG of OPAM during these years was certainly in charge of managing the reorganization, but more as an overseer than as a champion wholeheartedly supporting and fighting for OPAM reorganization and reduction in operations. His reorganization activities were supported by technical assistants and by agreements with the government that clearly helped OPAM get back on a sounder financial footing (the government finally agreed to support OPAM in its attempt to recuperate debts owed for cereals purchases by other entities such as the military). The PDG/OPAM melded his technocrat management role with a policy champion role that focused on creating new organizational justifications for OPAM's continued existence. These included CEFODOC and the SIM, for which he appears to have lobbied vigorously on behalf of OPAM. He made good use of his opportunity to institute and legitimize new OPAM functions, at the same time as he was responsible for dismantling other outdated and poorly functioning OPAM operations.

The current PDG/OPAM has successfully continued OPAM restructuring activities, and is also actively marketing ideas for new roles and responsibilities that OPAM could take on.

He was said by one individual to be "greater than the current challenges of OPAM." Given some of the new changes envisioned, however, it is likely his skills will be needed.

**Role of Technical Assistance.** Technical assistance has played a major role in OPAM's restructuring. The combined provision of four to five technical assistants, training programs of OPAM staff supported by various donors at different times, technical capacity building in cereals storage and maintenance, and other assistance, provided a "critical mass" that allowed OPAM to reach its current state of efficiency. While problems remain, particularly in light of the several successive years of surplus production and the lessened need for OPAM services, technical assistance is continuing to improve OPAM's ability to respond to different circumstances. As the organization stabilizes, however, it is clear that donors will be less willing to provide funding for this assistance in the future. One technical assistant sees his role now as helping OPAM management learn how to identify potential problems before they arise and to prepare strategies to deal with them that can be presented to the GRM and donors. The need for such capacity building is clear.

**Incentives.** The current difficulties facing OPAM in further reducing its workforce derive from the apparent contradiction in donor requirements and incentive structures. OPAM's current PDG has been given feedback that his organization is one of the best-run in the government, and indeed comparable to many private industries. He and his staff have struggled over the past three to four years to arrive at this level of efficiency, and the current renewed pressure to further reduce staff is, in his words, contrary to all incentive structures generally instituted to reward good performance. It appears that the current incentive structure to top management is more in the form of a negative incentive—withholding of funds in PRMC IV—than a positive incentive to continue to improve OPAM's organizational effectiveness. The possibility that technical advisors supplied by donors will also be withdrawn is an added disincentive. New incentives, not necessarily donor funding, to continue responding to changing conditions on a sustainable basis need to be devised.

**Effective Institutions.** OPAM is, by most accounts, a fairly effective institution in its current form. The organization's ability to respond to exogenous factors (such as successive years of good harvests) is less certain. An organization's ability to successfully respond to changes demonstrates a fairly sophisticated level of flexibility and market responsiveness, but it is prerequisite to sustainability. More assistance in building this flexibility and capacity is needed.

Another institution related to OPAM that is of questionable effectiveness is the COC. Its ability to function as an advisory group to decision-makers has been diluted by the numbers of lower level technocrats participating, as well as non-governmental groups such as the CCIM and the Chamber of Agriculture. The pressures on COC to include private and public sector representatives, particularly in this new democratic era, are understandable. However, a change in the structure of the COC has not been mirrored by a change in its function. It currently acts as a forum for (limited) information exchange, some massaging of political sensibilities, and a low level of discussion on details of PRMC policy. It does not allow the GRM to:

- Develop its position as a political entity to discuss donor requests or present its own requests to PRMC donors

- Increase its technical capacity in analytical decision-making, since little technical information, except in brief expositions, is disseminated to this broad audience

The creation of an effective process is needed that will be part of building a sustainable OPAM (and other PRMC-related institutions) when donors are gone. This means that government decision-makers need to be prepared to provide guidance to OPAM and others in place of technical advisors and donor-led reforms, and they also need to be technically informed of the issues at hand in a more rigorous manner. The skill of coming to a consensus (or at least an agreement) with technically sound analyses to back them up, is lacking. The ability of the Malian political cadre to agree on a position and support it in the face of disagreement, or arrive together at a further compromise, is lacking.

To build this effective process (not an institution), the model that has worked so successfully for the donors may be suggested for the Malians. A "Technical Committee," parallel to the PRMC donor Technical Committee and consisting of Malian cadre directly concerned with policy issues, would act as advisors to their ministers. It should consist of a limited number of higher level participants.[8] This group, numbering no more than five to seven, and in the beginning assisted, perhaps, by an expatriate technical advisor, would meet to discuss the agenda issues that are also facing the donor technical committee. (This means that information regarding agenda items will need to be shared on both sides.) Each member of the Malian Technical Committee would receive on a routine basis all technical reports that are the result of research relative to PRMC issues. The Malian technical committee's role is to prepare, in an advisory capacity, the ideas and positions to be considered by the minister(s), with full analytical support and explanation. The Technical Committee representatives will report their conclusions to their superiors, who will then represent the GRM in face-to-face discussions with the donor Management Committee. Both of these will take place at high levels on a monthly basis.

The COC should continue, but its role should be information dissemination and marketing of PRMC reforms by the Technical Committees of the donors and GRM. It is important to keep these groups in the loop for political reasons, but they are not appropriate for the decision-making role that needs to be implemented. The group could be widened to spread information and ideas supporting particular reforms even further. Through seminars, discussions, and special presentations, this group can be transformed from its current figurehead role to one that really does fulfill an important function.

---

[8] A critical element of this suggestion is that it not include formerly relevant players who may still have a strong interest in PRMC issues, but are tangential to the current activities. It should include those whose current positions require them to master the information needed to provide adequate counsel to their ministers on topics related to PRMC management.

**Technocratic Autonomy/Influence on Bureaucracy.** The autonomy of OPAM is currently an issue. Originally viewed as a self-sustaining *EPIC*, its mandate changed to provide services that the private sector cannot provide, yet its status and budget line in the government's budget do not acknowledge this discrepancy. Managerial autonomy from the Minister of Finance has occurred to a large extent. OPAM's daily management issues are more affected by donor funding than by its connections to the Ministry.

### 4.3 Sustainability (1993-?)

OPAM's ability to sustain itself as an organization has been touched upon above. In PRMC IV negotiations, at least two operational changes are likely to be discussed as a result of a further reduction in organizational mandate.

**OPAM Mandate Change:** Eliminate OPAM's role of providing cereal to deficit zones, relying instead on the national emergency stocks to meet emergency assistance needs.

If this mandate change is accepted, it will result in the following organizational changes:

- Complete closure of the remaining garages, including getting rid of the 15 remaining vehicles
- Closing the OPAM offices in the 18 *cercles* where OPAM offices still exist
- Further reduction-in-force as these distribution centers and garages are closed, and further reduction in staff at headquarters

Neither the donors nor the GRM have done more than initiate dialogue on these issues. The upcoming National Seminar is seen as the forum for resolving these issues, or at least beginning to address them in the open, with final resolution to come during preparation of the Contract Plan for PRMC IV.

The following sections examine OPAM's future and sustainability more closely. Note that the issue addressed here is the sustainability of OPAM *as an organization*. In fact, some conditions currently in place are conducive to sustainability; other conditions are lacking. The sustainability of changes in operations resulting from reorganization is addressed tangentially.

#### 4.3.1 Coalitions and Mass Political Pressure at the Sustainability Phase

**Compensatory Measures.** Compensatory measures continue to be understood and applied as a mechanism to counterbalance possible political risk in reform areas. However, some of the donors the team interviewed appeared reluctant to buy into further compensatory measures for future reductions-in-force. Although they acknowledged the need for these measures, their reluctance concerned the growing strength of the worker unions and the more

costly negotiations that are likely to result. Some donors expressed reluctance to fund auxiliary services such as technical assistance, as the reform measures reduce in difficulty and the organization stabilizes.

The GRM's willingness and financial ability to take on compensatory measures is not documented. However, if the GRM or donors do not supply the financial incentives and compensatory measures needed to offset upcoming difficult organization management changes, the ability of OPAM to continue to make difficult changes in its structure, now or in the future, is questionable.

**Concentrated Benefits.** The beneficiaries of OPAM are: 1) currently concentrated in the deficit zones not served adequately by the private sector; 2) traders and consumers who benefit from publicized market information; 3) clientele within and outside of OPAM such as traders, civil servants, village associations, and groups who receive OPAM (CEFODOC) training; and, 4) recipients of the emergency food aid to at-risk populations (actual distribution is in the hands of NGOs and other organizations). The widespread nature of these services is evident, but the ability to coalesce support for OPAM from any one of these groups is debatable. The individual services provided, particularly the market information service, appear, from talks with traders and consumers to have a heavy following. These groups, however, will pressure the government more to continue these services than to keep them in any one organization. Indeed, the discussion of where to place the SIM started at its inception when the Statistical Directorate made a play to locate it there. This debate shows signs of continuing, and probably will occur on an ongoing basis.

The other beneficiary groups are too dispersed and unorganized to support OPAM as an organization, as long as the services are continued in some form. The change in mandate mentioned above is not cut-and-dried; some donors do not agree that the deficit zones will be serviced by the private sector, nor that the GRM early warning system, the *Système d'Alerte Précoce (SAP)* can identify all at-risk populations, given its limited geographic coverage.

**Dispersed Costs.** OPAM's expenses derive from a variety of operations, some self-financing or partially self-financing. Most are supported by PRMC funds and very limited government funding. The GRM is not financing OPAM operations, and should donors pull out or substantially reduce their funding, OPAM as an organization is unsustainable. The public services provided by OPAM will eventually need to be placed in the GRM budget if they are to continue. OPAM's provision of "public good services" will not provide it with adequate income to ever be completely self-financing.

**New Coalitions.** With the increase in political maneuvering and the need to consider a much larger field of stakeholders, OPAM may come under scrutiny from many sources. Political parties with particular interests in equitable resource distribution may put renewed pressure on the GRM for some kind of controlled market system. As *Associations Villageoises* become more organized and stronger, they may also combine to either question OPAM's role or to request additional public services. The traders have clamored for additional credit

mechanisms; once organized it is not clear what effect trader groups might have. At this point, too little is known about the changing political environment, how it will affect any government entity, and how it can be managed by politicians seeking to respond to many different pressures.

### 4.3.2 Donor-government at the Sustainability Phase

**Supply of Public Goods.** The ability of OPAM to supply public goods will be significantly hindered if donors withdraw support and no arrangements have been made for GRM assumption of financial responsibility. Some indications during interviews were given that many donors are struggling with competing demands for financial assistance, particularly from Eastern Europe, and that countries in other parts of the world may find their assistance reduced. Without some kind of transitional strategy, the ability of organizations such as OPAM to continue their operations will deteriorate. It is also in the interests of both the GRM and donors to develop this strategy (though maybe at a lesser pace) even if funding is not threatened, in order to continue to increase the capacity of Mali to manage its own activities and provide for the eventual sustainability of OPAM public services.

**Conditionality.** Conditionality can continue to be used by donors as long as they are involved in funding, and may be a mechanism that the GRM can use as part of an incentive structure when it replaces donors as a source of funding for support of public services.

**Relations with World Bank/IMF/USAID/Other Donors.** Some work toward improving OPAM's interactions with local development banks has occurred, but further work is needed on both sides to build sustainable, functioning cooperation. The attention of the World Bank and IMF is likely to continue on a macro-policy basis, although it will only touch upon OPAM indirectly in the future unless problems arise. OPAM needs to maintain or build bilateral relations with donors as well as continue its activities with PRMC donors as a group. It is likely that once PRMC attention is diverted to the *Office du Niger*, less attention and funding will be available for OPAM. It has more likelihood of receiving bilateral funding should PRMC donor attention disperse.

**Resources.** The current PDG of OPAM sees his organization as an enterprise to be developed, with services that he can market on a profitable basis. This individual is a human resource who can provide guidance for improving the sustainability of OPAM if he is directly involved. He should be integrally engaged in the current discussions regarding the potential of contracting to the private sector certain OPAM operations, issues regarding budgeting relative to GRM and PRMC funding, and policy debates regarding OPAM's withdrawal from supplying deficit zones. He has creative ideas on many of these and other issues that need vetting and open technical discussion to determine their merit and ability to be implemented.

Other resources on hand currently include counterpart funding that can be used to develop OPAM's sustainability as an institution, meaning its ability to respond to new demands for public services, and pressures to find other funding. Resources are being strategically used in some cases to augment the capabilities of the SIM, making it a valuable service that OPAM

can market as part of its organizational mandate. Less certain is CEFODOC's ability to command resources; training in PRMC and OPAM has reportedly always been fought for on a year-to-year basis, with resources given by first one donor, then another. OPAM's ability to leverage resources for this and other services is uncertain, and currently subject to the whims of PRMC donors, particularly since training is not a primary mandate for the OPAM organization.

OPAM is attempting to increase the availability of resources by providing some services on a fee basis, or by lowering costs through contracts to the private sector. However, the use of fee-for-services is not yet widely applied. In many countries and programs, training participants pay a "registration" fee that, while it does not come close to covering actual expenses, contributes to the overall cost and increases the participant's respect for the training. OPAM's training program has used this mechanism little, if at all. More attention to technical issues such as this would provide OPAM with valuable technical guidance, rather than the limited attention paid to counterpart fund decisions.

The technical advisors provided to OPAM by PRMC can be a useful mechanism to assist OPAM in its attempt to became a sustainable organization. These resources have been used to date to fulfill operational functions that assisted OPAM to improve its efficiency. Now, these advisors can be resources for building sustainability if they are given these tasks. Indeed, one advisor described his guidance to the PDG to help him prepare his dossiers, try to predict the likely targets of the PRMC in advance and prepare for them, and produce proposals that could be presented to PRMC and others before they impose their views on OPAM. However, because of his primary and contracted-for responsibilities, he can spend very little time on this kind of capacity building.

### 4.3.3 Political Elite and Factions at the Sustainability Phase

**Institutionalized Autonomy.** Elements of this issue have been discussed above. OPAM has attained a certain measure of management autonomy within the Ministry of Finance, but has not yet attained management autonomy from PRMC. In addition, it does not have financial autonomy, meaning that it depends mostly on donor funding and is not yet a regular part of the budget. For this organization to be sustainable, these actions need to occur.

**Role of Ideas.** Discussion continues over OPAM's role, and stakeholders hold a variety of views. Some factions believe OPAM has fulfilled its role and should die quietly; others believe that it still provides services that cannot be taken over by the private sector and that cannot be reduced without increasing some other organization's activities (e.g., SAP). These ideas are supported by both donors and GRM officials in varying combinations. The role of OPAM is therefore still evolving and ideas relative to its function continue to place pressure on it for change.

However, because an organization must respond to changing ideas, it does not necessarily mean the organization is unsustainable. Its ability to respond to new pressures flexibly and

creatively carve out new niches as changing circumstances warrant is more important in the long run. OPAM has, under PRMC guidance and with PRMC resources, successfully responded to changing ideas about its role and policy orientation. Without PRMC support, OPAM's ability to respond to ideas and changing pressures may depend solely on a PDG's ability to creatively meet these challenges.

**New Consensus.** A new consensus has yet to be built regarding OPAM's role. OPAM's sustainability over the last five years was a result of the consensus formed between donors and the government over what its role should be; this is undergoing new debate. The National Seminar scheduled for June 1993 will be a forum for initiating new consensus on the new directions for OPAM. Further consensus will be hammered out in the development of the PRMC IV plan.

Some political factions are forming to challenge the location of certain OPAM services. The Statistical Directorate is again requesting that the SIM be placed in its organization. SAP is making tentative moves to take possession of SNS stocks and PRMC funds.

### 4.3.4 Bureaucratic Interaction at the Sustainability Phase

**Rules/Norms Reducing Discretionary Power of Bureaucracy.** Most norms in place are a function of PRMC oversight. Some management structures internal to OPAM have successfully been instituted, but major decision-making for OPAM continues to occur in the context of donor/GRM relations. When this dynamic changes, new norms and rules will have to develop. For example, a problem in grain stocks is signaled to the PRMC donors who discuss how to handle it in their Technical Meeting. Recommendations are made back to the GRM and OPAM through the expatriate technical advisor or in a letter advising them of the "recommendation." In this case, discretionary power of the bureaucracy (i.e., OPAM) has been reduced by placing the seat of decision-making with the donors. While it has functioned well, if OPAM is to be sustainable as an organization within the GRM providing public services, new norms and rules that will reduce discretionary bureaucratic action on the part of OPAM individuals must be put in place. The discussions now taking place about "institutionalization" and the change in Malian decision-making will need to take this aspect into account. One element that seemed to work well in early years was using the presence of a "policy champion" to further policy and organization reform, with the policy champion being able to reduce his personal risk by using the larger decision-making groups such as the BEC or the *Conseil de Ministres* as support mechanisms for covering his individual exposure.

**Reform Pace.** OPAM's reform has progressed at a steady pace, although some observers might perceive that pace as too slow. In fact, it has often been the donors' need to reach consensus, and disagreement about the policies to be modified (i.e., market stabilization role of OPAM that was finally pushed by IMF), that was as much a part of the pace of reform as any institutional resistance on the part of OPAM.

The pace of reform has allowed all parties and coalitions to accept and embrace the new mandates in a way that virtually assured their sustainability (new reforms are another story). No pressure groups exist at this time that want to reinstate former OPAM services. No ideologic groups are pressuring OPAM to resume its former role in the marketplace or increase its staff.

The experience of successful OPAM reorganization sets a positive precedent for future OPAM reform, although there are undoubtedly skirmishes remaining. Reportedly, the idea to reduce OPAM's role in supplying deficit zones was floated in 1990-1991, but the transitional government was reluctant to take such drastic, high-profile steps. The current political environment may also reveal some forces resistant to this change that were previously unorganized, particularly rural populations coming together in groups, possibly slowing down reform.

**Successful Institutional Change.** In the new democratic atmosphere, it is difficult to predict if the skills necessary to survive exist either among the donors, who recommend changes and how to accomplish them, or among the GRM officials, who negotiate and implement the reforms. There is, however, some evidence of tactical thinking on the part of GRM officials. One *Conseiller Ministerial* described his efforts to publicize new activities in a favorable light before the rumors could distort activities. He called up the radio and television stations and asked for interviews with their journalists. Malians and donors alike are taking trips to stakeholder zones to talk to those who may see themselves as "losers." Through direct information and discussion of the ramifications of certain activities, some of the potential for dissent may be dispersed.

For institutions to change successfully, they need to leverage human and financial resources in their bureaucratic environments on a continuing basis. They need to be flexible and know how to respond to changing demands and needs of their stakeholders by using strategic planning techniques. They need to conduct institutional marketing to get support from political and nonpolitical stakeholders. OPAM has been guided in these areas by PRMC, and has not yet developed the internal capacity to operate in this manner. When internal systems are not in place to ensure these tasks, the ability to sustain an organization is dependent either on the top manager (i.e., the PDG) or on outside guiding and protective forces (i.e., the PRMC). Given the frequent turnover in this and many governments, reposing such responsibility in the PDG of OPAM has been limited, and has resulted in guidance to OPAM residing in the PRMC. If sustainability of the institution is desired, three options are available. First, PRMC can continue its role in guiding and protecting OPAM. Second, the GRM can commit to placing a highly skilled PDG in OPAM for an extended (perhaps five-year) period. Third, internal systems in OPAM can be introduced that will make this organization sustainable and responsive to its environment. In fact, during a transitional period it is likely that a combination of all three is needed.

## 5. POLICY REFORM AND THE *OFFICE DU NIGER (ON)*

The ON has been the subject of PRMC attention for more than eight years. Early *Comptes Rendus* of PRMC donor meetings dating from 1983 show that even then ON was requesting PRMC support. Over the years, more than 5 billion CFAF have been given or lent to support ON commercialization activities. Yet, common consensus is that the organization is fraught with corruption and mismanagement, and is overstaffed and nonfunctional. In late 1992, major actors reached agreement on reorganizational strategies that, if successful, will categorically change the face of the organization. What are the political dynamics that have influenced the reform activities in this organization, particularly in comparison with the organizational reform in OPAM?

The following sections do not address all aspects of the analytical framework, as the team focused very little on the ON and had limited time to organize collection of information on this subject. However, the exposure we did receive reveals some interesting insights into the dynamics of change when comparing the ON and OPAM. The following sections briefly present some of our findings.

### 5.1 Initiation/Adoption (1982-1992)

Structural changes within ON are just beginning. ON is organizationally located in the Ministry of Rural Development along with similar organizations such as *Office Riz Mopti (ORM)* and *Office Riz Ségou (ORS)*. Each operates within a particular geographic zone, and has comprised, in the past, both production (rice paddies or *rizières*) and marketing activities (dehulling plants or *rizeries*). Processing of paddy and later the marketing of the dehulled rice has been the subject of controversy. The dehulling plants have purchased paddy at fixed prices from producers, and have often been unable to sell the rice, leading to PRMC intervention through OPAM in some instances. More critically, the ON administrative offices have been unwilling to reduce their topheavy and inefficient operations to improve the financial viability of the organization. The dynamics of the ON's resistance to organizational change and PRMC's involvement are examined below.

#### 5.1.1 Coalitions and Mass Political Pressure at the Initiation Phase

**Consensus Building.** Malian constituencies have quite successfully built consensus around the need to maintain the status quo and to protect the emerging Malian rice producing capacity. The coalitions have formed on four fronts within the Malian context.

- Rice producers who have been assured of high prices for their rice and who have suffered the consequences of high input prices that were not covered when market prices plummeted, who therefore fear any change in the entire rice system;

- Government officials who own rice paddies and who have vigorously campaigned against changes that might reduce guarantees to their own income;

- ON staff who would likely be subject to a reduction-in-force if reorganization of ON occurs; and

- Malian officials (Ministry of Rural Development and elsewhere) who, ideologically, feel strongly the need to protect the Malian rice sector against imports and other market forces that may combine to reduce incentives to producers until production costs come more in line with market costs, in order that Mali can become self-sufficient in rice.

The consensus within the Ministry of Rural Development, whose constituency has always been producers and not the commercial logic and pressures to which the Ministry of Finance responds, has therefore been against change. While countervoices have been heard periodically from the Ministry of Finance, other forces have been at work to diminish this pressure, as will be seen in following sections.

**Public Perception of Crisis.** The public have been more concerned with what they see as a threat to Malian rice production capacity than the fact that ON is out of control financially and managerially. This mass sentiment has gone a long way toward encouraging the status quo. While rice prices have remained higher than might be the case were imports freely allowed or, more recently, were prices allowed to reflect real production/transformation costs, the prevailing sentiment continues in support of Malian rice protection policies. In addition, there are currently only a few large rice traders in Mali (though small-lot smuggling certainly occurs), and Malian commercial forces in support of open competition are weak.

The crisis that led to finally taking concrete steps to reorganize and reform ON was a function of donors deciding to refuse financial assistance in bilateral projects, and the World Bank forcefully requiring change. The Malians interviewed acknowledged that this had been coming for years. Donors report that the Ministry of Rural Development had made agreements under previous contract plans and in various other documents, but when review of progress occurred, excuses were always made for inability to achieve targets. Until this year, donors reluctantly accepted these excuses. This year, however, the Germans finally withdrew funding, and the Netherlands also refused further assistance. Clearly, this time the GRM felt that the ultimatum was firm, and steps were taken to respond accordingly. The GRM affirms that it was the World Bank that forced the final decision for ON restructuring.

**Previous Style of Adjustment Discredited.** Precedents for reform such as that undergone by OPAM are not applicable in the eyes of ON supporters. The protection of Malian rice is the primary consideration, and the fact that Malian coarse grain production in fact expanded under the liberalized markets regime is irrelevant. Local rice cannot successfully compete with imported, subsidized Asian rice that is cheaper and of higher quality. While this situation is not entirely relevant to the need to improve ON internal operations and harmonize them with a public service institution, resistance is encountered when merely raising the subject of rice.

### 5.1.2 Donor-Government at the Initiation Phase

**Perception of Need for Consensus.** The consensus needed to begin convincing GRM officials of the need for ON reorganization has been lacking in the donor circle. Three donors provide bilateral support to the rice projects and to ON (Germany, the CCE, and the Netherlands, as well as the FED, who is not part of PRMC); these donors are also members of PRMC who, in the nature of PRMC's need for consensus, must agree to the PRMC donor position. Making it even more complicated, PRMC's sphere of activity has never directly encompassed the Ministry of Rural Development (production), even though it has very directly encompassed cereals marketing (commercialization). Thus, the points of intervention on which PRMC has felt it can legitimately intervene are limited to the commercialization of rice, and then only when PRMC has been asked to come to the rescue in rice purchases through OPAM, by its client, the Minister of Finance. The donors involved in rice projects have also resisted intervention by PRMC into the CN arena, declaring that it is not in PRMC's sphere of operation, and thereby annulling all consensus within the donor PRMC group.

The lack of consensus among PRMC donors, which might have enabled reorganization pressure to be placed on the ON earlier, worked to the benefit of the Ministry of Rural Development. Always somewhat on the sidelines in the PRMC debates since commercialization was not seen as part of its role, the Ministry of Rural Development fiercely protected its rice programs, including the commercial operations, which were only located in the Ministry of Rural Development by coincidence in that the integrated rice program started out as a production project.

In addition, although the World Bank and IMF placed pressure on the GRM to reorganize and liberalize the rice marketing system, their attention was more on the macroeconomic liberalization of the rice sector, which was consistently resisted by certain donors and GRM alike, and not on the more microlevel need to reorganize and reform the ON. In fact, as in the case of OPAM, the restructuring of the organization was dependent on the macro-level policy changes that eventually changed its mandate These mandate changes were missing in the case of ON, until recently. Where early reform of OPAM was tied to changes in its marketing mandate (i.e., allowing private trade), there were no such macrolevel policy changes to force institutional reform in the ON.

**Conditionality.** The changes in consensus were what finally moved the ON into a period of reform, planned to begin this year. Perhaps because some studies indicated that rice production had jumped from 1.5 tons/ha to 4.5 tons/ha, and the price of rice purchased through ON was far too high, the World Bank placed extreme pressure on the GRM to deal with ON by threatening to terminate structural adjustment funding. It first forced the GRM to make the ON a budget line item, meaning that overruns and budget targets would have to be met, and secondly required a *Lettre de Politique Agricole* that made further assistance a conditionality. That this had not been done in the past is probably partly a function of the lack of consensus among donors, but also in the last few years due to political uncertainty and government resistance. This year, however, other donors, including those among the rice project supporters,

refused to continue assistance in their bilateral programs. What is interesting to note, however, was the apparent need for consensus among donors—multilateral and bilateral—before World Bank/IMF conditionality was successfully invoked.

**Sense of Urgency to Act.** Clearly, if there were any sense of urgency to act, it was overridden by other factors. It should be said, however, that attention to the ON and its operations was minimal throughout most of the history of PRMC, and it is only as other reform efforts have been achieved, and problems with the ON seem to have come to a head, that the ON has received increased attention.

Another factor may be the National Seminar that will occur in late June,1993. The previous one, in 1987, addressed very specific reform issues and dealt with truly major changes in government policy, the end of price fixing, and the end of OPAM's market stabilization role. There has been no recent opportunity to deal with the rice program in a strategic planning and dialogue sessions.

**Sequencing of Reforms.** Successful rice production increases may have also cleared the way for ON transformation. Now that Malian rice is more competitive, and clearly prices are out of line with production costs, ON cannot leverage the support from project donors that it has in the past. In addition, this bastion of the Ministry of Rural Development dates from 1932, much older than OPAM. The success of OPAM reorganization and the prevailing acceptance of market liberalization activities may have been needed to set the stage to tackle this institution.

**Donor Resources.** It is not clear what PRMC donor resources may be brought to bear on the privatization of the rice dehulling plants or the reorganization of the ON. No agreement yet exists as to PRMC's role in this activity. Presumably this will be discussed and negotiated during the National Seminar and afterward, during the Contract Plan negotiations.

A lesson might be briefly taken from the experiences of OPAM. Once the macropolicy decisions were taken, it was the close attention of the PRMC donors and their resources, research they conducted, and technical assistance they provided that helped turn OPAM into an operational organization supplying needed public services. It was also because of the threat of withdrawing funding if reform conditions were not met that difficult reforms were implemented. And it was because *mesures d'accompagnement* were funded by PRMC that more resistance was not met on the part of the "losers."

However, this implies and was the result of direct engagement of PRMC, which is not (currently) the case with the ON. The consensus building over every small issue having to do with the policy reforms described in earlier sections provided a strength of purpose that was key to success. Deep consideration should be given by PRMC donors to the implications of this experience, and how a different kind of engagement may affect the success of planned reforms.

In addition, OPAM benefitted from taking on new assignments and public services that became quite popular because of donor support. The SIM and CEFODOC provided an

opportunity to build something to replace that which they had to destroy. ON could benefit from donor resources being provided to support the activities that will be its main marketable reason for existing as an organization, especially if they are performed well. ON's mandates now include:

- Management of water resources for the rice paddies
- Maintenance and construction of major irrigation canals
- Extension assistance to rice producers

These activities have always been within the scope of ON, but will now be the only activities of ON. PRMC or bilateral donors may want to consider supporting the improvement of these activities and the establishment of systems to help overcome the transitional period of ON reorganization. All of this should be considered in the context of whether ON should continue to survive or not.

### 5.1.3 Political Elite and Factions at the Initiation Phase

**Selling Reform to Politicians.** The marketing of reform to politicians involved with the ON has not been successful. There is little evidence to show that it occurred, at least on the side of the PRMC, which has resisted being brought into this sector. One ramification of the lack of dissemination of research documents is that technical arguments for reorganization were not making their way into the internal Ministry of Rural Development dialogue. The COC, given its diffuse and low-level intervention into policy areas, was also not an adequate forum for selling reform to politicians, particularly the high-level officials who make these decisions.

Whereas in early years of PRMC reform much of the interaction was between high-level GRM officials and chiefs-of-missions and ambassadors, the pressure for change and the interchange of ideas was much more direct. The change to low-level interaction and lack of constant pressure at a top level may have been a factor in lagging ON reform.

**Support of Elites.** The ON reform movement did not have the support of elites, both by virtue of the fact that many of them stand to lose financially, and also because the ideologic consensus was against rice sector reform. In 1987-1988, for example, the former Director of ON was named the Minister of Rural Development; his agreement to reduce ON's role would hardly have been easily attained. The acceptance of reform came only once the elites had accepted it as something that could no longer be avoided.

**Political Management Skills.** The Malian government successfully warded off reform and protected what it perceived as its interests for more than twelve years after market reform arrived in Mali. By playing donors against each other (leveraging some donors' particular support to bilateral projects that focused on production activities to strengthen their commitment to not putting stress on the ON as a whole), and more particularly because the PRMC was not

in constant direct touch with the Ministry of Rural Development, the question of ON reform was never a priority.

The political management skills of the GRM revolve mostly in the arena of having put off reform of ON. However, now that reform is accepted as inevitable, the political management skills needed should be corralled. One example of political management skills is one *Conseiller Technique*, who explained to the team his ideas about preparing the rice producers and marketers for the change that will descend upon them. His plans for reform include communicating the changes envisioned from an early stage, making trips, radio communications, and so on, to build understanding of what the actual results of the changes will be, and convince those who think they might be losers of the benefits they will receive. He has already started this awareness campaign, and is working with the World Bank (and any other donors he can interest) to support communication programs to reduce the exposure of the government. The new Minister of Rural Development has hired a *Conseiller de Communication* to help as well.

### 5.1.4 Bureaucratic Interaction at the Initiation Phase

**Policy Champions.** No policy champions have emerged or have been courted by the PRMC for ON reform. Indeed, several former ON directors who were sympathetic to the need for reform were quickly ousted; although their ideologies were engaged, they did not have the political clout on their own and did not successfully influence those who might have had this clout to change their views. Another missing link necessary for policy champions to stick out their necks is some form of support. OPAM reformers and Ministry of Finance officials who were, at various times, policy champions, were able to count on PRMC funding and donor pressure to back them up. Without being able to bring something to the table, a policy champion can depend only on his/her own connections and political clients. Particularly in the old single party system, where all power derived from above, the politician's risks were higher if no one above was of the same opinion. As new coalitions, multiple parties, and political pressure groups form from below as well as above, this may change the way in which policy champions operate and the kinds of support they need to survive.

The closeness of the PRMC to the OPAM operations and the Ministry of Finance allowed them to become, to a certain extent, personally engaged with their policy champions, particularly in the early years when interaction between donors and GRM was much closer. This interaction allowed them to provide moral support, transfer technical information and technical explanations to be used in convincing others, provide ongoing advice (even if through a third party, the expatriate technical advisor), and be ready to provide financial support if necessary. This state of affairs does not currently exist with the Ministry of Rural Development.

Several options for identifying policy champions exist. The Special Delegate who is in charge of the reorganization is an obvious one. Another is the above-mentioned *Conseiller Technique*, who is a savvy and confident politician with good tactical knowledge, even if in the past it has been used against the donor policy positions. It would be good to get his agreement

with and understanding of the donor agenda rather than have to continually fight him. Finally, there is the Minister of Rural Development (MRD), who has requested of the Minister of Finance that the Ministry of Rural Development be more closely involved with the PRMC, and even that the seat of the PRMC be moved to the MRD directly. While this may not be the step to take, it nevertheless indicates his interest in being engaged directly in the dialogue.

**Critical Mass of Technocrats.** The team does not know if there is a critical mass of technocrats in the Ministry of Rural Development that have bought into the policy reform agenda. The ON also lacks the technical skills to undertake its new mandate, and the *rizeries* also do not have the technical skills to market their grain, any more than the ON did.

**Tactical Thinking.** The GRM had to make a decision as to whether they would accept or reject the World Bank ultimatum. An Interministerial Commission put together a one month study to make recommendations on what should be done to meet World Bank and donor (not PRMC) requirements. The "technical plan" was accepted by the World Bank and the partner donors, but not the "political plan" (i.e., the implementation plan, or the way in which to undertake and institute the changes laid out by the technical plan). Various recommendations were made on both sides; with the partner donors finally requiring that a special delegate, reporting to the Prime Minister, be appointed to oversee the reforms. This tactical move was the result of seeing countless previous attempts at reform come to nothing, as the individuals responsible were too involved—either personally or politically—with the continued activities of ON. Bringing in an "outside organizational development expert" (done frequently in company reorganizations all over the world), who has no personal loyalties to the individuals involved, and who reports to the Prime Minister, not to the Minister of Rural Development, is clearly very strategic thinking.

**Parallel Markets.** Parallel markets play a role in the pricing and liberalization policies relative to rice, but not in the reorganization of ON.

## 5.2 Implementation (1993-?)

The implementation phase for ON reorganization has just begun, with the appointment of the Special Delegate as manager of ON reorganization. The PRMC's involvement in this arena has yet to be determined. However, any donor (or politician) who may become involved in ON reform, whether PRMC or not, can draw lessons or at least consider the experience of OPAM, to inform their own intervention strategy. Some of these considerations have been pointed out in the discussion above, and some may be found in Chapter 6, "Conclusions." The reorganization of the *Office du Niger* may be the "last great battle" for the PRMC. It is a challenge that should not be taken lightly, one which has the unique opportunity to draw on lessons learned and knowledge gained from previous PRMC experience.

# 6. CONCLUSIONS

PRMC reforms have provided ample opportunity to examine the elements that contribute to successful and unsuccessful policy reform. Below are some of the findings and general patterns that were drawn from the PRMC experience.

## 6.1 Summary of Each of the Four Political Themes

The analytical framework presents four political themes that pervade the initiation, implementation, and sustainability phases of policy change. The discussion below describes findings relating to each of these themes.

### 6.1.1 Coalitions and Mass Political Pressure

Non-elite coalitions and public pressure played a relatively small role in the initiation and implementation of PRMC reforms, particularly when compared with pressure from donors and political elite. Instances of public pressure that played a role in policy reform occurred in two areas:

- Trade union and civil service pressure were factors in bringing OPAM problems to the attention of the administration. However, these pressures were minimal when compared with pressure placed by donors through conditionality. The public pressure reinforced the perception that reform was needed; it did not influence the direction of reform.

- Widespread public sentiment supporting protection of Mali's rice sector contributed greatly to the lack of urgency surrounding reform of the *Office du Niger*.

OPAM was called *woh ba*, "the big hole," to indicate the extent to which money and grain could disappear from the parastatal. The food situation deteriorated in Mali since the 1972-1973 Sahelian drought, while the GRM continued to resist efforts to restructure the food marketing system. Consumers faced high prices in the parallel market, while the low official producer prices led farmers to export grain to neighboring countries with higher official prices. The perception of crisis was, however, much stronger for coarse grains than for rice. At a time when the entire Sahel was thinking about securing food supplies through increased irrigation perimeters, Mali had the largest potential for irrigation. Mali believed it was only a matter of time before they would tap the potential of ON to become rice self-sufficient.

The National Seminar on "OPAM Reorganization and Cereals Markets" provided an efficient vehicle to build consensus and for Malians to accept the proposed reform that donors had begun to push.

### 6.1.2 Donor-Government Relations

Perhaps the speed with which the National Seminar on the restructuring of OPAM and cereals market was prepared provides a good indication of the sense of urgency and consensus reached by donors and the GRM. Donors proposed the reforms and financed the seminar after a three-week lead time. As indicated, the seminar allowed the GRM to claim a broad-based acceptance of the proposed reforms. Also, donor resources from the sale of food aid were adequate to support the reforms and accompanying support activities.

At implementation, however, donor-government relations often fluctuated. The scheduled price increases stalled in 1984 when the GRM, after Mali reentered the CFA zone, sought to maintain prices to increase the purchasing power of civil servants whose salaries were cut in half, while market prices were adjusted on a par with the CFAF. In part, also, donor coordination was sometimes lacking. For a while in 1986, donors could not agree on the new role of OPAM. European donors also disagreed with the World Bank about the pace and extent of reforms at the ON. Occasionally, the conditionality imposed by IMF conflicted with the PRMC's tactical thinking.

However, the consensus that was eventually reached among donors provided them with a powerful bargaining chip in their relations with the GRM. Recently, donors appear to have renewed commitment to presenting a common direction regarding the restructuring of ON, a structure that has frustrated all parties since the PRMC was instituted.

### 6.1.3 Political Elite Politics and Factions

The guaranteed flow of important food aid and the creation of the common funds sold the reforms to the GRM. These elements made it easier for policy champions to win over the President to the reform, and allowed the President to appease those of his allies who opposed the reforms. The political risk of food riots was also thus avoided.

In spite of the donor-provided financial incentives, the reforms still needed policy champions to convince political leaders, especially the President, of their acceptability. Most observers believe that this role was played at the crucial initiation and early phases by one or two individuals, who used the reforms to their own personal political advantage.

Although the resources of the PRMC might appear small, particularly relative to WB/IMF structural adjustment loans, they helped the government to calm urban consumers at a time when salaries were frozen under WB/IMF conditionality. By themselves, however, the implementation of the reforms did not threaten the regime because of their quick and visible success.

### 6.1.4 Bureaucratic Interaction

No real critical mass of technocrats was built during the PRMC. High turnover and episodic meetings do not allow for the development of a long-lasting informed technical cadre. Because of the patronage system of the Traoré regime, autonomy of the bureaucracy was nonexistent. Bureaucrats willing to take risks and be innovative still needed personal contact with the inner circle of Moussa Traoré.

The technical assistance provided by PRMC at times helped bureaucrats in their initiative, such as in the design and implementation of the SIM, and in provision of credit to traders and village groups. However, bureaucrats were also frustrated by the presence of expatriate technical advisors, particularly when it limited their ability to gain access to their Ministry.

## 6.2 Successful and Unsuccessful Elements of Reform

The following are conclusions drawn from overall PRMC reform activities and the political environment in which they operated. The elements presented below are described as "successful" or "unsuccessful" in the context of the PRMC. We emphasize this to note that assigning these elements to a category does not mean that one can take an isolated "successful" element, incorporate it into a project, and assume a "successful" outcome. As described below, the environment in which certain factors occurred led to "successful" or "unsuccessful" outcomes, which were often a combination of many factors.

- **Successful.** At the initiation phase, the 1980-1981 National Seminar helped the GRM prepare the public and build consensus among decision-makers for market reform. Although the conclusions of this forum did not support all the reforms, and certainly not to the extent of complete market liberalization, the seminar helped Moussa Traoré achieve two important things. First, he was able to rationalize a choice he could no longer postpone. Second, he broadened support for reforms, and avoided direct confrontation with those of his political allies who were against the reforms by shielding himself with the consensus-building framework of a public forum.

- **Successful.** Reforms were adopted and implemented when a consensus and critical mass on the part of both donors and government was attained. The critical mass included, by necessity, political centers in the government with adequate power (ideologic or political) to overcome or ignore resistance.

- **Successful.** A critical reason for successful implementation of PRMC reforms was the donor's perceived need for consensus among themselves before dealing directly with the government. This process allowed them to discuss analytical aspects of the decisions, but more important, to talk openly about their governments' policies and future plans, and negotiate among themselves to

establish compromise positions. It occasionally resulted in putting off decisions for which agreement was not achieved, which seems to have helped keep the pace of reform at a level acceptable to government and donors alike. Coordinating as a group allowed different viewpoints and different project experience to be pooled, not to mention different resources, something that would not have been gained had each donor worked individually.

- **Unsuccessful.** Successful implementation through donor consensus building may have been attained at the expense of government capacity building. While the arms-length process of donor/government collaboration that evolved may not jeopardize the sustainability of these particular reforms, it has denied the government the opportunity to gain experience that it can apply to future policy analysis and management. Many GRM officials and others refer to the donor "club" that exists, which limits the ability of GRM officials to have membership in the decision-making circles.

- **Successful.** Despite different views on the pace and extent of reforms, donor unity was more effective than their individual efforts on reforms. Small-staffed donors, in particular, appreciate the commitment of larger ones to monitor the PRMC. Faced with individual donors, Malians have learned well how to play one against the other.

- **Unsuccessful.** On the other hand, Malians have been slow in designing an institutional response to donor concertation. The COC includes both Malians and donors. Even the *Commission du Suivi de la Commercialisation*, which is supposed to prepare the COC, includes donors, although they are not allowed to participate in working groups. In reforms that involve several line ministries, it is now the PRMC donors that play one Malian institution against another. As the PRMC extends its involvement outside the Ministry of Finance to the Ministry of Rural Development (and possibly the SAP, in the Ministry of the Interior), it is important to promote increased participation of Malians in the PRMC. Possibly more important is building Malian skills that will allow them to develop a concerted approach to patch up their differences and present a coherent response and Malian initiatives to the PRMC donors.

Because of the conflicting interests of different line ministries, a concerted approach of Malians can only be developed if decisions are based on objective and informed analyses of issues and options. An outside institution (such as U.S. General Administration Office) or a nonministry-affiliated consultant (such as the outside appointee in charge of the restructuring of the ON) is also useful to overcome possible gridlock.

- **Successful.** The importance of a "policy champion" cannot be overemphasized. Identifying a policy champion during the initiation/adoption phase was the most critical point in the case of the PRMC because the implementation phase of these

reforms proved to be less contentious, especially after the WB/IMF's conditionalities forced the GRM to go beyond the reforms promoted by the PRMC. It is possible, too, that the close attention to detail by the PRMC donors assisted the implementation process and took the place of having a "policy champion" during this phase. Perhaps the reform regarding the ON is waiting for its political champion.

- **Successful.** Policy reform was accepted and implemented when the policy champion(s) were backed up by resources that they could bring to the table as compensation or incentives for change.

- **Successful.** Macroeconomic policy changes, once their inevitability was accepted, were best supported by project-like attention to technical assistance and continual research to monitor progress and understand impacts. Some of this attention to project-like activities was less important in substance (i.e., developing credit programs or training activities) than the fact that it continued to engage donor and, to a lesser extent, government attention.

- **Successful.** Conditionality was successfully invoked when market problems reached crisis proportions, providing a final spur to action. To date, there seem to have been no repercussions from donors imposing these requirements, perhaps because conditionality was applied when everyone recognized that something had to be done. Clearly, much of the success of the PRMC was due to willingness and generosity to compensate the losers and the GRM.

- **Successful.** Gradualism was adopted by the PRMC, partly because of lack of empirical analysis, partly because donor consensus had to account for nuances in liberal ideology, and partly also because of a genuine desire of donors to allay the fears of Malians.

- **Successful.** The fact that policy reforms resulted in ***early successes*** helped build momentum for further activity in carrying out later reform measures. Early successes built the confidence and political leverage of the policy champions (and donors), defused the fears of those who were worried about policy impacts, and reduced pressure from opposing ideologic groups.

- **Successful.** Institutional change was made easier to bear by staff and management alike when legitimate new spheres of activity were allowed to replace dismantled operations.

- **Successful.** Not only did these new spheres of activity (SIM, CEFODOC, credit programs) provide the reorganized government institution with new, legitimate activities, they also provided important assistance, incentives, and compensation to different affected stakeholders. Research surrounding the reforms and some

elements of technical assistance was critical in ascertaining policy reform impact and monitoring its implementation. However, research and examination of the credit and training programs, and the SIM, are needed to review successes, failures, and cost/benefits, in political as well as technical enhancement terms. As mentioned previously, the research studies provide valuable technical knowledge that can enhance the capacity of GRM officials as they become more involved in decision-making.

- **Unsuccessful.** Simple techniques to improve the quality and involvement of key government representatives (i.e. building decision-making capacity of the real decision-makers) were lost in the shuffle. Information sharing—research reports and technical analyses from PRMC and other projects relative to the subject of cereals marketing—occurred irregularly. Little thought was given to information sharing as a marketing tool, much less a capacity-building one, that should target those most likely to benefit or be able to continue to build upon this knowledge. Clearly, the few Malians with access to these technical reports made good use of them to enhance their knowledge about the topic.

- **Unsuccessful.** Concern over the frequent turnover of government staff in all positions was voiced as a reason to not spend resources in training counterparts at the *Conseiller Technique* level. Constant turnover was also quoted as one reason that the COC lost its ability to take on a decision-making, management role. However, little attempt seems to have been made on the donor side to deal with this issue, such as making the long-term appointment (no less than three years) of a PDG/OPAM or a counterpart to the expatriate technical advisor a precondition for funds disbursement. Conditionality might be one way to influence this tendency.

- **Successful.** An important element of PRMC success, as much as the national "policy champion," was the "technical facilitator." It is widely accepted that the expatriate technical advisor to the ministry in charge of OPAM played a key role by his personal acumen and his longevity, the second obviously a function of the first. The technical advisor had both the confidence of donors, especially the most important donors or group of donors at the initiation, and the Malian ministries, increasingly so as he outlived them all.

- Use of an expatriate technical advisor to the minister, charged with representing the GRM in PRMC meetings, had several effects.[9]

[9] Since this individual stayed an unheard of twelve years in his position, and since he survived eight ministers and untold numbers of other government officials, it is difficult to use his experience as a model to try and duplicate. However, some lessons about what worked and what did not work can still be drawn.

- **Successful.** He provided valuable guidance and leavening to both the donor committees and the GRM as to acceptable language for written communications and realistic assessments of the validity of proposals. No doubt his intervention helped many save face and minimized the number of individuals who were offended.

- **Successful.** He provided a historical repository for activities and decisions unmatched in either donor or government circles.

- **Successful.** He was perceived as an individual who was, in reality, representing the interests of the Government of Mali.

- **Successful and Unsuccessful.** He had access to the highest decision-makers in the Malian government. However, his direct access substituted for Malian access to their minister for PRMC discussions.

- **Successful and Unsuccessful.** Because he successfully filled this difficult role, and was perceived to have done so by both Malians and donors, there was little pressure from either side to force more Malian involvement in the process, until recently.

- **Unsuccessful.** His presence obviated the necessity for Malian officials to become integrally involved in discussions of a technical or managerial nature, resulting in little experience on the Malian side to become full partners, not figureheads, in the management process.

- **Unsuccessfully.** The effect of new political elements and pressures on government policy-making and reform will be poorly understood by donors if the current arms-length interaction continues. Donors need to be aware of the issues and risks facing their Malian counterparts. If there is direct and open dialogue about these concerns, donors can help provide solutions or softening measures, they can slow down reform or temper it in other ways, and they can advise Malians on the best way to communicate the real advantages of a given policy to win support and reduce opposition.

- The success of subsector reforms, such as those engaged in by the PRMC, are often influenced by exogenous factors. Global prices, weather-induced agricultural production, and broader macroeconomic constraints may play unexpected havoc or provide unusually excellent conditions, for policy reform results.

## 6.3 Impact of Political Change on Reform

Political pressures on GRM officials are changing. Now, instead of considering only donor and high-level government positions, they also must beware of other stakeholder groups' opinions. Donors have not been forced to deal with this new element in the policy decision-making process yet. Techniques that provide instructions on political mapping and stakeholder analyses might be useful for all involved parties to master.

Little experience of the ramifications of the new political systems exists. A certain amount of momentum appears to be building to take advantage of the new need for the government to be accountable to the population, but the form that will take in the long-run is uncertain. The discretionary power of the bureaucracy (and particularly the clientelism in the system) may be reduced over time. However, there is also evidence, even apparent in the COC, that particular interest groups are intent on winning what they can for their constituencies; the options of compromise and achievement of slow steps in attaining a result may not be as accepted as they have been in the past. Quick results are desired, and stakeholder groups may be less amenable to measured progress.

In general, it is difficult to predict the form that the new democratic initiatives will have on policy reform and the political dynamics that have driven reform in the past. Donors and government officials alike should be even more in touch during this period than in the past, so that issues resulting from these new pressures are quickly shared and strategies for appropriate resolution of concerns are developed with full understanding of the dynamics at play.

## REFERENCES


Bates, Robert H. and Anne O. Krueger, eds. 1993. Political and Economic Interactions in Economic Policy Reform. Evidence from Eight Countries. Oxford: Blackwell.

Cook, Ted. 1989. Grain Marketing Credit Programs: Asset or Liability? An Evaluation of the Credit Component of the Malian Cereals Market Restructuring Program. Washington, DC: Development Alternatives Inc.

Courcelle, Michel and Anne de Lattre. 1989. The Private Sector in Mali. Paris: OECD.

Crosby, Benjamin L. 1992. Management and the Environment for Implementation of Political Change: Part One, Political Mapping. Technical Note No. 4, Implementing Policy Change. Washington, DC: AID/W.

Dioné, Josué and Nango Dembélé. 1987. Le Programme de Restructuration du Marché Céréalier au Mali: Une Analyse de ses Objectifs, son Fonctionnement et ses Réalisations. Bamako: CESA-MSU.

Gagnon, Gérard. 1988. L'Évolution du Commerce Privé des Céréales au Mali, l'OPAM et l'Approvisionnement des Zones Déficitaires. Bamako: Banque Mondiale.

Elbadawi, Ibrahim A., Dhaneshwar Ghura and Gilbert Uwujaren. 1992. World Bank Adjustment Lending and Economic Performance in Sub-Saharan Africa in the 1980s. A Comparison with Other Low-Income Countries. Working Papers, WPS 1000. Washington, DC: World Bank.

Harberger, Arnold. 1993. "Secrets of Success: A Handful of Heroes," *Political Economy of Policy Reform: Is There a Second Best?* American Economic Review; 83(2).

Krueger, Anne O. 1993. "Virtuous and Vicious Circles in Economic Development, *Political Economy of Policy Reform: Is There a Second Best?* American Economic Review. 83(2).

Mallé, Boubacar N. 1992. Les Gouvernements de la République du Mali de l'Indépendance à nos Jours. Bamako: Éditions Imprimerie du Mali.

Rodik, Dani. 1993. "The Positive Economics of Policy Reform" *Political Economy of Policy Reform: Is There a Second Best?* American Economic Review. 83 (2).

Sall, Adoulaye. 1989. Mali: L'Organisation du Monde Rural du Mali (1910-1988). Bamako: Éditions-Imprimerie du Mali.

Scott, Williams. 1988. Mali Cereals Marketing Restructuring Program (PRMC): Annual Evaluation. Bamako: USAID/Bamako.

Staatz, John M. 1992. Institutionalist Perspective on Agricultural Policy Reforms in West Africa. Staff Paper No. 92-61. East Lansing: Department of Agricultural Economics, Michigan State University.

Staatz, John M., Josué Dioné, and N. Nango Dembélé. 1989. "Cereals Market Liberalization in Mali." World Development. 17(5): 703-718.

Steffen, Philip. 1990. The Structural Transformation of OPAM, Cereals Marketing Agency. Agricultural Economics; Staff Paper No. 90-51. East Lansing: Department of Agricultural Economics, Michigan State University.

World Bank. 1990. Agricultural Sector Adjustment/Investment Project. Washington, DC.

# APPENDIX A

## PLATFORMS OF PRMC I, II, AND IV

# APPENDIX A

## Platform of PRMC

### PROPOSITIONS D'AVANT-PROJET DES DONATEURS POUR LA PHASE I DE «RESTRUCTURATION DU MARCHE CEREALIER»

**I. — OBJECTIFS DU PROJET**

Ce projet a pour but, en une période de cinq ans :

— de relancer l'économie nationale en augmentant le pouvoir d'achat du milieu rural,

— de libéraliser le marché céréalier

— d'éviter une augmentation brutale des prix de vente à la consommation qui résulterait d'une «operation vérité des prix».

**I.1. Relance de l'économie nationale**

L'accroissement du pouvoir d'achat des masses paysannes qui représentent 85 % de la population totale résultera de l'augmentation du prix aux producteurs au niveau de celui des pays voisins tout en tenant compte du coût de production du paysan.

Cette augmentation :

— en premier lieu aura des effets sur l'économie rurale par la modernisation de l'agriculture grâce à des investissements supplémentaires des paysans et l'utilisation accrue des ressources agricoles visant l'autosuffisance, l'exportation et l'agro-industrie ;

— en deuxième lieu, ces effets se diffuseront dans toute l'économie nationale par l'augmentation des recettes fiscales, ce qui permettra à l'Etat d'augmenter les salaires du secteur public d'où, en définitive, des effets d'entrainement sur l'économie nationale par accroissement de la consommation, de l'épargne et de l'investissement.

**I.2. Libéralisation du marché céréalier**

Elle résultera :

— de l'abolition du monopole d'Etat,

— de la transformation de l'Office des Produits Agricoles du Mali (OPAM) en un Office de régulation et de stabilisation disposant en plus d'un stock de sécurité,

— de l'introduction d'un marché concurrentiel par l'autorisation de la commercialisation privée des céréales.

**I.3. Alignement progressif des prix de vente au niveau des prix de revient**

Le financement dégressif par les fonds de contrepartie de l'augmentation des prix aux producteurs et d'une contribution aux pertes d'exploitation de l'Office de Régulation permet un alignement progressif des prix de vente au niveau des prix de revient ce qui, à terme, rend la possibilité à l'office de régulation de se passer de subventions de l'aide alimentaire.

**II. MOYENS MIS EN ŒUVRE**

**II.1. Utilisation de fonds de contrepartie**

— **L'instrument principal** du projet est constitué par les fonds de contrepartie résultant de la vente des céréales fournies par les Aides exterieures dans le cadre de l'aide alimentaire «normale». Toute aide «exceptionnelle» d'urgence ne fait pas partie du present projet.

—**Le mécanisme** consiste :

. à augmenter les prix aux producteurs au niveau de leurs prix de revient en tenant compte des prix aux producteurs des pays voisins,

. à couvrir les frais de distribution des tonnages livrés par l'aide alimentaire à l'intérieur du pays,

. à couvrir les pertes d'exploitation de la commercialisation des céréales (autres que celles mentionnées ci-dessus) vendues sur le marché national par l'office de régulation.

**II.2 Réorganisation des structures de commercialisation**

Le monopole d'Etat est abandonne en faveur d'une régularisation du marché libre :

— par la creation d'un office de régulation et de stabilisation qui a pour but de maintenir l'équilibre relatif du marché céréalier et de limiter les fluctuations locales et conjoncturelles des prix aux producteurs et aux consommateurs ;

— par l'autorisation de la commercialisation privee des céreales. L'acces au marché céréalier est libre à tout agent respectant la reglementation de la profession et a tout moment de l'annee.

**II.3. Représentant des donateurs**

Un representant des donateurs disposant d'un soutien logistique sera chargé durant toute la durée du projet, de representer les donateurs au sein de la structure mise en place par le projet et de suivre l'exécution et la coordination des conventions bilatérales signées entre les différents donateurs et le Gouvernement malien.

## III. COUT ET PLAN DE FINANCEMENT

**III.1. Financement de l'augmentation des prix :** aux producteurs et des pertes d'exploitation de l'Office.

— le besoin de financement pour les campagnes 80/81 à 84/85 résulte de la différence entre le prix de vente officiel et le prix de revient global de l'office incluant le prix que l'office paye aux producteurs et ses frais de commercialisation (transport, frais financiers, marges).

— l'objectif pour le prix aux producteurs est, dans un premier temps, de l'élever au niveau de celui des pays voisins en tenant compte du coût de revient du producteur puis, dans un second, temps, de l'augmenter pour tenir compte à la fois de l'inflation et d'un certain équipement progressif des paysans.

— L'objectif pour le prix de vente à la consommation est de couvrir le prix de revient global de l'office au terme du projet.

— Les frais de commercialisation sont stabilisés dès la campagne 81/82 pour tenir compte de la rationalisation de l'office, d'où le tableau (1) suivant permettant le calcul du besoin de financement par campagne et catégorie de céréales :

| Mils/Maïs/Sorgho | | | | | en FM/kg |
|---|---|---|---|---|---|
| | Prix poducteur | frais commercial. | Prix de revient | Prix de vente | Besoin de financement |
| Campagne 80/81 | 70 | 60 | 130 | 85 * | 45 |
| Campagne 81/82 | 80 | 80 | 160 | 105 | 55 |
| Campagne 82/83 | 92 | 80 | 172 | 135 | 37 |
| Campagne 83/84 | 105 | 80 | 185 | 162 | 23 |
| Campagne 84/85 | 120 | 80 | 200 | 190 | 10 |
| Campagne 85-86 | 140 | 80 | 220 | 220 | 0 |

| Riz (RM 40) | | | | | en FM/kg |
|---|---|---|---|---|---|
| | Prix poducteur (paddy) | frais commercial. incluant usinage | Prix de revient | Prix de vente | Besoin de financement |
| Campagne 80/81 | 75 | 125 | 200 | 200 * | 0 |
| Campagne 81/82 | 110 | 130 | 240 | 220 | 20 |
| Campagne 82/83 | 130 | 130 | 260 | 240 | 20 |
| Campagne 83/84 | 160 | 130 | 290 | 270 | 20 |
| Campagne 84/85 | 180 | 130 | 310 | 300 | 10 |
| Campagne 85-86 | 200 | 130 | 330 | 330 | 0 |

L'Office commercialisant 40 000 tonnes de mils/maïs/sorgho et 55 000 tonnes de riz :

**Le besoin de financement par campagne est** : en milliards FM

Pour la Campagne 80/81, les fonds de contrepartie aux prix de vente fixés le 25 Novembre 1980 par le Gouvernement : 85 FM/kg le mils/maïs/sorgho et 200 FM/kg pour le riz (RM 40) rapporteront :

(1) Les chiffres n'ont qu'une valeur indicative.
* Relevé dans l'Essor du 25 Novembre 1980.

Campagne 80/81 45 000 × 40 000 + 0 × 55 000 = 1,80
Campagne 81/82 55 000 × 40 000 + 20 × 55 000 = 2,30
Campagne 82/83 37 000 × 40 000 + 20 × 55 000 = 2,58
Campagne 83/84 23 000 × 40 000 + 20 × 55 000 = 2,02
Campagne 84/85 10 000 × 40 000 + 10 × 55 000 = 0,95

**TOTAL ...10,65 Milliards FM**

A ce coût doivent s'ajouter les frais de distribution des céréales par les aides extérieures connus pour la camapgne - 80/81 - 50 000 tonnes de riz, 10 000 tonnes distribuées gratuitement) - à 30 000 FM/tonne, soit : 1,5 milliard FM.

Pour les autres campagnes, un forfait de 25 % des besoins de financement a été retenu.

D'où **le coût global de l'operation** «financement de l'augmentation des prix aux producteurs et des pertes d'exploitation de l'office» :

Campagne 80/81 1,80 = 1,50 ' 3,30
Campagne 81/82 2,30 = 0,83 ' 4,13
Campagne 82/83 2,58 = 0,65 ' 3,23
Campagne 83/84 2,02 = 0,51 ' 2,53
Campagne 84/85 0,95 = 0,24 ' 1,19

TOTAL.....14,38 Milliards FM

85 000 ±30 000 = 20 000 ± 10 000 ' 4,55 Milliards FM

Pour couvrir un besoin de financement de 3,3 milliards FM. Le reliquat de 1,25 milliards FM devrait financer **un fonds de roulement** permettant au projet de se poursuivre même si l'aide alimentaire devait se révéler déficiente par la suite.



-110

**III.2. Représentant des donateurs**

Un représentant des donateurs sera fourni pour la durée du projet. Avec son soutien logistique, son coût est estimé à 150 millions FM. Ce financemente sera assuré par l'aide internationale.

## IV. MODALITES D'EXECUTION

IV.1. Le Gouvernement de la République du Mali crée, avec la collaboration des donateurs d'aide alimentaire, un projet «Opération de restructuration du marché céréalier» (appelé par la suite «Le Projet») dont le maitre d'œuvre sera désigné d'un commun accord entre le Gouvernement et les donateurs.

La description du Projet s'appui sur le présent texte.

La duree prevue de ce Projet serait de cinq ans.

**IV.2. Contribution des donateurs**

Les contributions se feront de façon délibérée par conventions bilatérales dont le bénéficiaire sera le présent Projet.

Les conventions bilatérales se référeront au Projet et retiendront l'essentiel des clauses figurant dans la convention type citée en annexe I.

Les contributions prendront la forme :

— de livraisons spécifiques d'aide alimentaire,
— d'un Représentant des donateurs auprès du Projet avec soutien logistique en cas de besoin,
— d'études de factibilité en vue de préciser et d'adapter certains éléments du Projet.

**IV.3. Contributions du Gouvernement de la République du Mali (G.R.M.)**

Le G.R.M. s'engage à faire evoluer sa politique des prix céréaliers en s'orientant sur le plan de financement proposé par le present texte.

Le G.R.M. s'engage à permettre successivement la libre commercialisation des céréales sur la base de la concurrence des agents publics et privés.

Certaines facilités peuvent être attribuées à l'organisme public céréalier en vue d'aider son auto-approvisionnement en céréales pour assurer la régulation du marché et la sécurité alimentaire, notamment pendant la phase de démarrage du Projet.

Le G.R.M. habilite l'office céréalier à la programmation du ravitaillement national.

Cependant, dans ce cadre, l'aide alimentaire peut partiellement transiter par des organismes coopératifs ou humanitaires, si un donateur le souhaite.

L'aide alimentaire se référant à ce Projet sera intégralement vendue ou mise à la disposition du stock de sécurité national.

Les recettes des opérations de vente seront versées sur un compte spécial géré d'un commun accord entre l'Autorité malienne régissant le Projet et le Représentant des donateurs auprès du Projet selon l'article 6 de la convention type (voir annexe II).

Les fonds reçus sur le compte spécial seront utilisés pour :

— la prise en charge de l'augmentation des prix aux producteurs résultant de l'application du Projet,
— le remboursement des frais effectifs de l'organisme céréalier causés par la commercialisation des dons,
— la couverture des pertes d'exploitation des céréales commercialisees sur le marché national par l'Office céréalier dans le cadre de la régulation et de la stabilisation des marchés, ce qui permettra d'échelonner l'augmentationà l'occurence des prix de vente.

En principe, ce soutien sera dégressif pendant une période d'environ cinq ans grâce à une augmentation succesive des prix à la consommation et applicable jusqu'au moment où l'équlibre du compte d'exploitation de l'office permettra de se passer de l'aide alimentaire.

## V. PRINCIPAUX RESULTATS

**— Au niveau des producteurs**

. L'augmentation des prix aux producteurs va se traduire par une augmentation de la production des céréales résultant à la fois de l'arrêt des exportations frauduleuses, de l'augmentation des rendements du fait de la modernisation que leur pouvoir d'achat accru permettra aux producteurs, de l'accroissement des surfaces cultivées.

Cette production devrait, dans un premier temps, rendre le Mali autosuffisant et, à terme, exportateur net.

Les operations riz seraient rentabilisees et les financements des aides extérieures et de l'Etat pourraient se diriger vers d'autres secteurs de développement.

L'accroissement du pouvoir d'achat des producteurs leur permettra de développer leur bien-être, de monétariser des regions qui ne le sont pas et de favoriser les echanges ces régions.

**— Au niveau des consommateurs**

Les consommateurs, sur tout le territoire national, vont se voir garantir un ravitaillement régulier et à des prix stables.

**— Au niveau de l'Etat et de l'Economie Nationale**

L'accroissement des recettes fiscales de l'Etat et la diminution de son soutien aux opérations de production agricole permettront à l'Etat d'augmenter les salaires du secteur public ce qui, outre la réduction des tensions sociales, aura tout un ensemble d'effets d'entraînement qui se répercuteront sur l'économie nationale par l'accroissement de la consommation, de l'épargne et de l'investissement ainsi que par le retour des capitaux maliens placés à l'extérieur et la reanimation du secteur tertiaire et notamment commercial qui, avec l'agriculture, sont les deux«forces vives» du Mali.

**ARTICLE X**

Les parties contractantes pourront modifier la présente Convention ou y mettre fin par accord entre les parties.

Les divergences de vue résultant de l'application de la présente Convention seront réglées par la voie de consultation entre les parties contractantes.

La présente Convention entre en vigueur à la date de sa signature et pour une période de cinq ans. Chaque partie contractante conserve la possibilité de se retirer moyennant un préavis de six mois. Toutefois, la décision de retrait ne remettra pas en cause l'utilisation des fonds de contrepartie déjà constitués à cette date pour la normalisation des prix des céréales.

**ARTICLE XI**

D'autres donneurs d'aide alimentaire peuvent adhérer à la présente Convention par échange de lettre avec le Gouvernement de la République du Mali.

En foi de quoi, les parties contractantes, par l'intermédiaire de leurs représentants, ont signé la présente Convention.

FAIT A BAMAKO, LE 10 MARS 1982

POUR LE GOUVERNEMENT DE LA REPUBLIQUE DU MALI

POUR LA COMMUNAUTE ECONOMIQUE EUROPEENNE



12

| OBJECTIFS | MESURES A APPLIQUER | JUSTIFICATION | CIBLES | EFFETS ATTENDUS |
|---|---|---|---|---|
| . Contribue à rééquilibrer les rôles respectifs des secteurs public et privé à tous les niveaux de la commercialisation. | 1 1. Consolider la libéralisation du commerce du paddy à l'Office du Niger et à l'ORM, l'ORS et la CMDT. | 1.1. Assurer la fluidité du marché et réduire le déficit de la filière céréalière. | 1.1. Disparition effective du monopole des PDR sur le commerce du paddy dès le début de la campagne 1986/87.<br>— Assurer une sensibilisation adéquate des agents économiques concernés ;<br>— Encourager les transactions entre les groupements de producteurs et les commerçants privés ;<br>— Utilisation de critères d'évaluation basés sur la production obtenue et non sur le tonnage commercialisé ;<br>— Transférer des opérations de crédit des ODR à la BNDA ou à des coopératives d'épargne. | 1.1. Réduction du volume de paddy commercialisé par l'ensemble des ODR rizicoles. |
| | 1.2. Promouvoir la vente du riz usiné par les ODR rizicoles | 1.2. Condition nécessaire pour réduire le déficit de la filière céréalière. | 1.2. Procéder à la vente du riz usiné aux commerçants privés par appel d'offre avec un prix par plancher au moins égal au prix de retrocession à l'OPAM.<br>— Maintien durant une période transitoire d'une subvention degressive aux ODR sur tout tonnage commercialisé. | 1.2. a) Réduction du volume du riz livré à l'OPAM par les ODR.<br>b) Réduction des besoins en subvention de la filière céréalière |
| | 1.3: Renforcer la capacité de commercialiser du secteur privé. | 1.3. Permettre au secteur privé de se substituer progressivement aux organismes publics de commercialisation, y compris pour l'exportation. | 1.3. a) Assurer des disponibilités adéquates de crédit ;<br>b) Appliquer une politique de transport incitative.<br>c) Renforcer les mesures favorisant le stockage non public ;<br>d) Collecter et diffuser l'information sur l'offre et la demande du marché. | 1.3. a) Amélioration de la fluidité du marché.<br>b) Diminution des coûts de commercialisation de l'économie nationale.<br>c) renforcement de la concurrence sur le marché céréalier. |
| 2. Poursuivre une politique flexible d'ajustement et de promotion du marché céréalier compatible avec les ressources de l'Etat. | B2.1. Rechercher une meilleure adéquation de l'offre et de la demande. | C2.1. Progresser vers la sécurité céréalière. | D2.1. a) Contribuer à améliorer les circuits d'information permanente de tous les participants au marché.<br>b) Maintenir un différentiel de prix à la consommation favorable aux céréa- | E2.1. a) Meilleure transparence du marché.<br>b) Effet de substitution entre riz et céréales sèches M/M/S. |

| | | | | |
|---|---|---|---|---|
| | | | les sèches, mil/maïs/sorgho par rapport au riz et au blé. | |
| | B2.2. Rechercher une plus grande cohérence d'intervention du secteur public, avec les coûts de revient de commercialisation et l'évolution du marché. | C2.2. Optimiser la stabilisation du marché par le secteur public dans l'espace et dans le temps. | D2.2. a) Dimensionner les activités commerciales de l'OPAM en fonction de ses ressources, de l'évolution du marché et de l'objectif de stabilisation.<br>D2.2. b) Substituer progressivement dès 1987/88 le système d'appel d'offre au système actuel des prix d'intervention, sauf pour l'achat du paddy dans les ODR rizicoles.<br>c) En ce qui concerne le paddy un mécanisme spécifique du soutien des prix demeure nécessaire. | E2.2. a) Plus grande indépendance financière de l'OPAM.<br>b) Plus grande souplesse d'adaptation à l'évolution du marché. |
| | B2.3. Stimuler la demande de céréales en fonctions des capacités de production locale. | C2.3. Renforcer la tendance vers la sécurité alimentaire. | D2.3. a)Inciter la mise en place des mesures de transformation de maïs local permettant d'en faciliter l'écoulement.<br>b) Favoriser l'écoulement des céréales dans les pays voisins lorsque le marché intérieur le permet. | E2.3. a) Diversification du marché du maïs et meilleur soutien du revenu producteur.<br>b) Soutien du revenu agricole. |
| | B2.4. Protéger le marché intérieur des céréales. | C2.4. Développer la production céréalière locale. | D2.4. a) Mise en application de droits appropriés sur l'importation de riz et de blé.<br>b) Maintenir pour le riz et mettre en vigueur pour le blé une taxe OSRP modulable suivant la conjoncture.<br>c) Maîtriser les importations et les aides de céréales dans le pays par une coordination effective de l'ensemble des intervenants dans la politique céréalière (CNAVS - MINAGRI-MINIFIN-OPAM-PRMC-Chambre de Commerce) | E2.4. a) Diminution des importations de céréales.<br>b) Péréquation des prix assurés des ressources de la filière céréalière.<br>c) Contribuer à rentabiliser les investissements publics et privés dans la production agricole. |
| | B2.5. Contribuer à animer un processus de coordination des différentes politiques nationales dans la région. | C2.5. Evoluer vers une sécurité céréalière régionale. | D2.5. Rechercher une articulation des politiques céréalières nationales cohérentes avec les objectifs et possibilités régionales. | E2.5. Optimisation de l'utilisation des ressources régionales. |
| A3.1. Participer au processus de réforme des organismes publics de commercialisation. | B3.1. Redéterminer les tâches des organismes publics. | C3.1. Permettre au secteur non public de se substituer progressivement aux organis- | D3.1. a) O.P.A.M.<br>L'OPAM en concertation avec le secteur non public | |

| OBJECTIFS | MESURES A APPLIQUER | JUSTIFICATION | CIBLES | EFFETS ATTENDUS |
|---|---|---|---|---|
| | | mes publics de commercialisation, | devrait :<br>. Gérer un stock de sécurité.<br>. Diffuser l'information relative au Marché Céréalier aux différents intervenants concernés.<br>. Contribuer à stabiliser le marché céréalier par l'emploi d'une gamme d'interventions adaptées à la conjoncture (importations commerciales, contrats d'assurances alimentaires, aides alimentaires, exportations, information.<br>. Gérer l'aide alimentaire céréalière qui lui est allouée.<br>b) OFFICE DU NIGER ET ODR RIZICOLES<br>- Soutenir le processus de réforme des ODR vers des organismes de prestations de services.<br>- Faciliter l'accession des rizeries à l'autonomie de gestion.<br>- Accroître le volume de paddy usiné par les rizeries pour des tiers.<br>- Poursuivre le transfert des opérations de crédit à la BNDA et le transfert des approvisionnements d'intrants au secteur privé.<br>- modifier les statuts ORM et ORS permettant leur éligibilité au secteur bancaire. | |
| | B3.2. Diminuer les coûts de gestion des organismes publics. | C3.2. Renforcer l'efficacité des organismes publics | D3.2. Poursuivre la réduction des charges de l'OPAM.<br>- Coût de revient dans les ODR doivent être couvert par les redevances.<br>- Réduire les coûts de revient d'usinage du paddy. | |
| | B3.3. Appuyer et responsabiliser le secteur non public dans le cadre du transfert des tâches. | C3.3. Dynamiser le secteur non public. | D3.3. Mettre en œuvre un système d'information des marchés pour 1988/89.<br>- consacrer une part progressivement importante des ressources du fonds de contre- | |

| | | | | |
|---|---|---|---|---|
| | B3.4. Obtenir l'autonomie de gestion des organismes publics. | C3.4. Responsabiliser le secteur public pour améliorer la rentabilité économique. | partie pour appuyer le secteur non public.<br>— Renforcer la capacité des AV à assurer un rôle accru dans la commercialisation et le stockage des céréales.<br>- Transférer progressivement l'approvisionnement des SUP sur secteur non public.<br>D3.4. **Pour l'OPAM**<br>- Inviter des représentants du secteur privé au Conseil d'administration de l'OPAM.<br>- autoriser l'OPAM à utiliser sur une base permanente, les systèmes d'appels d'offres.<br>- donner au Directeur Général de l'OPAM pleine autonomie en ce qui concerne la politique de gestion et de remunération du personnel.<br>- audit annuel et contrôle permanent des stocks<br>**Pour les ODR**<br>- autoriser l'exportation du riz de haute qualité.<br>— encourager les ODR à vendre leur riz sur appels d'offres. | |

**Objectif Supérieur** : La sécurité alimentaire à travers l'approvisionnement régulier en céréales des populations est mesurée grâce à un marché restructuré faisant appel au maximum aux ressourses locales

**Objectif N° 1** : Une politique flexible d'ajustement et de promotion du marché céréalier compatible avec les ressources de l'état est poursuivie

| Résultats : 1.1 La dépendance vis à vis des financements extérieurs est réduite | 1.2 Les décisions relatives à la politique céréalière sont plus cohérentes | 1.3 La consommation de céréales locales et de leurs dérivés est augmentée | 1.4 Une politique céréalière adaptée aux différentes variations de situation est mise en exécution |
|---|---|---|---|
| **Activités :** | **Activités :** | **Activités :** | **Activités :** |
| 1.11 Accroître la participation des banques au financement de la politique céréalière | 1.21 Dynamiser les instances de concertation (COC, ...) | 1.31 Appliquer correctement la protection tarifaire | 1.41 Accroître la concertation entre les pays de la sous-région |
| 1.12 Affecter une part plus grande des ressources de l'état à la politique céréalière | 1.22 Adopter les textes permettant de restructurer les services publics | 1.32 Appliquer correctement les dispositions légales sur le commerce extérieur | 1.42 Faciliter l'exécution de la charte de l'aide alimentaire |
| | 1.23 Assurer la mise en oeuvre de la restructuration | 1.33 Veiller à l'adéquation de la nature et du volume des aides alimentaires à la situation du marché céréalier | 1.43 Encourager la réalisation d'opérations triangulaires |
| | 1.24 Mettre à la disposition des concernés des informations fiables sur le marché céréalier | 1.34 Faciliter l'obtention par le secteur non public de capacités de transformation | 1.44 Promouvoir les exportations commerciales |
| | | 1.35 Mener des actions de promotion des céréales locales auprès des consommateurs maliens | 1.45 Renforcer les moyens de stockage villageois pour faire face aux pénuries |
| | | 1.36 Appuyer les actions visant à améliorer la qualité des céréales locales | 1.46 Mieux exploiter les données sur la situation alimentaire (S.A.P, ...) |
| | | | 1.47 Suivre et évaluer la mise en application et l'impact de la politique céréalière |

Plateforme Commune PRMC III

**Objectif Supérieur** : La sécurité alimentaire à travers l'approvisionnement régulier en céréales des populations est assurée grâce à un marché restructuré faisant appel au maximum aux ressources locales

**Objectif n° 2** : Efficacité des organismes publics dans la commercialisation

| Résultats : | | |
|---|---|---|
| 2.1 Gestion des offices publics est efficace | 2.2 Les missions retenues sont accomplies sur l'ensemble du territoire national | 2.3 L'influence de l'Etat dans la gestion des offices est diminuée |
| **Activités :** | **Activités :** | **Activités :** |
| 2.11<br>Suivre correctement la gestion | 2.21<br>Faire respecter les contrats par les privés | 2.31<br>Etablir des contrats-plans avec l'Etat |
| 2.12<br>Adapter les modalités d'intervention | 2.22<br>Arrêter les importations non contrôlées | 2.32<br>Assurer la mise en oeuvre des contrats-plans |
| 2.13<br>Motiver les agents | 2.23<br>Programmer correctement les actions | 2.33<br>Suivre et évaluer l'application des contrats-plans |
| 2.14<br>Former les agents | 2.24<br>Rechercher les ressources financières | 2.34<br>Adapter les contrats-plans |
| 2.15<br>Soutenir le processus de réformes des ODRs | 2.25<br>Réduire les coûts d'intervention | |
| 2.16<br>Soutenir le processus de réformes de l'OPAM et ON | 2.26<br>Elaborer des statistiques fiables | |
| 2.17<br>Encourager l'ON et les ODRs rizicoles à être plus concurrentielles | 2.27<br>Améliorer la situation infrastructurelle | |

Plateforme Commune PRMC III

**Objectif Supérieur** : La sécurité alimentaire à travers l'approvisionnement régulier en céréales des populations est assurée grâce à un marché restructuré faisant appel au maximum aux ressources locales

**Objectif N° 3** : Les prestations du secteur non public sont satisfaisantes

| Résultats : | | |
|---|---|---|
| 3.1 Les critères de gestion moderne sont respectés | 3.2 Les différentes contraintes liées à la commercialisation sont levées | 3.3 Les groupements formés sont efficaces |
| **Activités :** | **Activités :** | **Activités :** |
| 3.11<br>Mettre en place des mesures pour favoriser la concurrence | 3.21<br>Faciliter l'accès au crédit | 3.31<br>Evaluer la performance des structures existantes |
| 3.12<br>Sensibiliser les acteurs à respecter leurs engagements | 3.22<br>Poursuivre l'amélioration du S.I.M | 3.32<br>Faciliter le regroupement de l'offre en céréales des AV/TOMS |
| 3.13<br>Contribuer à l'augmentation des performances des commerçants céréaliers traditionnels | 3.23<br>Prendre les mesures nécessaires à l'amélioration de la qualité des céréales | 3.33<br>Appuyer la formation des membres des AV/TOMS |
| 3.14<br>Initier les opérateurs économiques aux mécanismes du marché | 3.24<br>Favoriser la création d'un fonds mutuel de sécurisation | 3.34<br>Encourager les transactions entre groupements, commerçants et secteur public |
| 3.15<br>Appuyer la recherche d'assistance technique au secteur non public | 3.25<br>Renforcer la capacité de commercialisation de stockage et de conservation du secteur non public | |

# APPENDIX B

# CHRONOLOGY OF EVENTS

## APPENDIX B

## CHRONOLOGY OF SELECTED EVENTS RELATED TO PRMC AND OTHER ECONOMIC AND POLITICAL SITUATIONS, 1962-1994

| Year | PRMC-related Events | Others |
|---|---|---|
| 1962 | Demonstration of private traders against Malian Franc is severely repressed. Massive capital flight | Mali withdraws from the CFA Franc zone to create its own currency, the Malian Franc (MF) |
| 19640 | August 7-9: National Seminar on Marketing of Agricultural Products in Mali is chaired by Modibo Keïta, President of Mali) | |
| 1965 | March 1965: OPAM created | |
| 1968 | | November 19, 1968: Moussa Traoré and young army officers topple Modibo Keïta's socialist regime. **End of First Republic** and start of military regime (1968-1979) |
| 1970 | Severe Sahelian drought to last until 1973-74 | |
| 1974 | | June 1974: UDPM, state-party created, but no elections held |
| 1978 | Under FAO's leadership, donors recommend to GRM a cereals market restructuring program | February 1988: Moussa Traoré wins power struggle within the CMLN against former 1968 companions |
| 1979 | | March 1979: UDPM becomes operational and regime achieves perceived legitimacy<br><br>June 1979: First cabinet of the **Second Republic (1979-1991)** |

Source: Mallé (1992), Sall (1989), and authors' investigations.

| Year | PRMC-related Events | Others |
|---|---|---|
| 1980 | December 9: A group of donors submit the idea of PRMC to GRM: Pledge of food aid over 5 years on condition of cereal market reforms | |
| | December 29, 1980-January 3, 1981: National seminar funded by donors to discuss PRMC | |
| 1981 | March 1981: Recommendations of Seminar approved by Interministerial Council | |
| | June 1981: PRMC's Technical Assistant to GRM in post | |
| | November 1981: GRM starts implementing PRMC I (1981-1986) | |
| 1982 | March 1982: Donors and GRM officially sign PRMC accords. | Mali starts Structural Adjustment Program with World Bank to implement broad-based wage reduction and reorganization of parastatals |
| | July 1982: A *Ministre d'État de l'Économie et du Plan*[1] takes charge of PRMC and OPAM. | |
| | March 1982: The COC is created, but will remain dormant until 1988. | |

[1] This minister ranked officially third in the Cabinet (behind the President and Minister of Defense, the *Ministre d'État Chargé de l'Équipement*, former Vice-President of CMLN for whom he was chief of staff (see *Les Gouvernements du Mali* by Boubacar Nantégué Mallé).

| Year | PRMC-related Events | Others |
|---|---|---|
| 1984 | July 1984: GRM liberalizes marketing of paddy at *Office Riz Mopti*, but not at *Office du Niger* | Mali rejoined the CFAF zone (2MF=1CFAF) |
| | December 1984: OPAM and PRMC are moved to the Ministry of State-Owned Enterprises | Former Minister of Economy and Planning named Minister of State-Owned State Enterprises[1] |
| 1985 | May 1985: GRM accepts liberalization of marketing of paddy. | USAID starts Mali Economic Policy Reform Program (EPRP) to complement PRMC and WB's SAP |
| | | December: Mali and Burkina Faso go to war over border dispute |
| 1986 | March: OPAM stops purchases of coarse grains for lack of cash. | IMF concerned about Mali defaulting on its loan |
| | February: Paddy marketing officially liberalized at ON | |
| | April: PRMC donors prepare common platform of PRMC II (March 1987-October 1990) | June: Former Minister of Economy of State-Owned Enterprises leaves government for BEC |
| 1987 | PRMC credit to wholesalers and Association Villageoises | GRM negotiating with IMF for Stand-by loans |
| | June 15-18: National Seminar on Food Policy to discuss common platform of PRMC II | |
| | Summer: Ministries and BEC review recommendations of National Seminar | |
| | November 1987: GRM liberalizes prices of coarse grain, but continues to set official prices for rice | |
| | December 1987: New mandate given to OPAM (excluding price stabilization) | |

[1] Ranked fourth in the Cabinet, after the President and two other *Ministres d'État* (all members of BEC). Minister of Agriculture, former ON's Director, is ranked tenth.

| Year | PRMC-related Events | Others |
|---|---|---|
| 1988 | January: COC recreated | |
| | January: OPAM and PRMC move back under tutelage of Ministry of Commerce and Finance | |
| | March : GRM and donors officially signed PRMC II | |
| | April: Last meeting at Ministerial-Ambassador's level between GRM and PRMC's donors | |
| | Market information system (SIM) is created (after one year of testing) | |
| | First Contrat-plan OPAM/GRM (1988-1991). OPAM reduces staff from 718 to 368 under WB's SAP | |
| 1989 | Elimination of cereals export tax | World Bank and IMF confront GRM on noncompliance with credit ceiling. |
| | PRMC extends credit to deficit producing zones | |
| | March: 1988-1990 OPAM/GRM *Contrat-plan* signed. OPAM reduces staff from 368 to about 260. | |
| 1990 | Medium-term Credit given to AVs for storage and equipment | |
| | GRM failed to agree with donors on second *Contrat-plan* between ON and GRM. Second *Contrat-plan* between OPAM and donors (1990-1993) agreed upon | |
| | PRMC III (November 1990-October 1993) launched. | |

| Year | PRMC-related Events | Others |
|---|---|---|
| 1991 | Variable Rice Import Levy (TCI) instituted, with maximum set at 25%<br><br>However, GRM delivers import licenses at TCI between 0% and 5% to raise revenues in short notice. | January-March: Violent popular uprising topples Traoré's regime (March 26). Transitional government (1991-1992) drafts new constitution and prepares multiparty elections |
| | January: Second OPAM *Contrat-plan* (1990/91-1992/93). OPAM Chief Accountant, expatriate leaves Mali | |
| 1992 | First independent farmers' unions created in Kita and Koutiala | New president and parliament democratically elected (June 8-9: President forms his cabinet) |
| | December: Traders call off a 3-day strike after one day to avoid starving population | |
| | December: WB and ON donors decide on a more stringent *Lettre de politique de développement du secteur agricole* than *Contrat-plan* for ON | |
| 1993 | TCI's maximum raised to 40% | February: Moussa Traoré and four close aides sentenced to death |
| | Rice producers at ON defrauded of several hundred million CFAF by traders and former Director of ON | April 1993: Violent students' protest. New president dismisses cabinet and forms new 5-party coalition, adding two more opposition parties |
| | June 28-July 2: National Seminar on Food Policy to discuss PRMC IV, planned for 1994 - 1997 | Minister of Rural Development expects increased role in PRMC matters |
| | OPAM's expatriate marketing expert to leave Mali | |
| 1994 | PRMC's expatriate technical assistant to GRM since June 1981 to leave Mali | |

# APPENDIX C

## PRMC-FUNDED EXPENSEX, 1992

## APPENDIX C

### PRMC-Funded Activities in 1992 (November 1, 1991-December 31, 1992)

| Group of Activities | CFA Francs (Million) | Share (%) |
|---|---|---|
| Credit program (Traders and VA) | 1,403.561 | 33.30 |
| Reconstitution of the Cereal Security Stock (SNS) | 1,084.220 | 25.72 |
| Bridge Loan to *Office du Niger* (ON) | 550.000 | 13.05 |
| Other Supports to OPAM | 448.729 | 10.65 |
| GRM Early Warning System (SAP) | 219.501 | 5.21 |
| Grain Processing | 129.834 | 3.08 |
| Bank Commissions | 119.962 | 2.85 |
| Market Information System (SIM) | 107.991 | 2.56 |
| OPAM Training and Document Center (CEFODOC) | 47.248 | 1.12 |
| Miscellaneous | 40.000 | 0.95 |
| Transport and Distribution of Emergency Food Aid | 26.110 | 0.62 |
| PRMC Accounting | 16.830 | 0.40 |
| Technical Studies | 8.500 | 0.20 |
| Annual Audits (PRMC and OPAM) | 8.424 | 0.20 |
| Support to the PRMC Secretariat | 2.754 | 0.07 |
| Support to the COC | 1.010 | 0.02 |
| TOTAL | 4,214.672 | 100.00 |

Source: Secretariat PRMC