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CONSOLIDATING MALI'S DECENTRALIZED GOVERNANCE SYSTEM

ANNUAL REPORT YEAR THREE

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Consolidating Mali's Decentralized Governance System

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ACRONYMS

ACCRM	<i>Association de Conseils de Cercles et d'Assemblées Régionales</i>
AFAD	a Malian NGO (<i>Association pour la Formation et l'Appui au Développement</i>)
AMM	Association of Municipalities of Mali (<i>Association des Municipalités du Mali</i>)
AN	National Assembly (<i>Assemblée Nationale</i>)
ANICT	National Investment Agency of Decentralized Entities (<i>Agence Nationale d'Investissements des Collectivités Territoriales</i>)
APE	Parent-Teacher Association (<i>Association de Parents d'Elèves</i>)
ASACO	<i>Association de Santé Communautaire</i>
ASG	A Malian NGO (<i>Association Subuni Gunni</i>)
CARE	CARE-Mali
CSO	Community-Based Organization
CC	Communal Council (<i>Conseil Communal</i>)
CCC	Communal Advisory Center (<i>Centre de Conseil Communal</i>)
CESC	Economic, Social and Cultural Council (<i>Conseil Economique, Social et Culturel</i>)
CGS	School Management Committee (<i>Comité de Gestion Scolaire</i>)
CLO	Local Orientation Committee (<i>Comité Local d'Orientation</i>)
CLUSA	Cooperative League of the U.S.A.
CRO	Regional Orientation Committee (<i>Comité Régional d'Orientation</i>)
CSC	Health Center for the Cercle of Niafunké (<i>Centre de Santé de Cercle de Naifunké</i>)
CSCOM	Community Health Center (<i>Centre de Santé Communautaire</i>)
CSO	Civil Society Organization
CTO	Cognizant Technical Officer
D/G	Democracy and Governance
DIAKONIA	a Swiss NGO
DNCT	National Decentralized <i>Collectivités Territoriales</i>)
DRCN	Regional Bureau for Nature Conservancy (<i>Direction Régionale de la Conservation de la Nature</i>)
EU	European Union
F CFA	Franc of the Financial Community of Africa
FICT	Investment Fund for Decentralized public entities (<i>Fonds d'Investissement des Collectivités Territoriales</i>)

FY	Fiscal Year
GIS	Geographic Information System
GRM	Government of the Republic of Mali
GTZ	German International Cooperation Agency
HCC	High Council for Decentralized Entities (<i>Haut Conseil des Collectivités</i>)
IR	Intermediate Result
MATCL	Ministry of Territorial Administration and Decentralized Entities (<i>Ministère de l'Administration Territoriale et des Collectivités Locales</i>)
M&E	Monitoring and Evaluation
MSI	Management Systems International
NGO	Non-Governmental Organization
NRM	Natural Resource Management
NWP	« Nature, Wealth and Power »
ORFED	a Malian NGO
PAC	Project Advisory Committee
PACT	Decentralized Entities Support Program (<i>Programme d'Appui aux Collectivités Territoriales</i>)
PAICOL	Program in Support of Community Initiatives and Local Organizations in Timbuktu (<i>Programme d'Appui aux Initiatives et Organisations Locales de Tombouctou</i>)
PARAD	<i>Programme d'Appui à la Réforme Administrative et à la Décentralisation</i>
PDI	Institutional Development Plan (<i>Plan de Développement Institutionnel</i>)
PDMDK	a Belgian program (<i>Programme de Développement Multisectoriel de Koulikoro</i>)
PGP	Shared Governance Program (<i>Programme de Gouvernance Partagée</i>)
PMP	Performance Monitoring Plan
PPP	Public-Private Partnership
PRODEPAM	<i>Projet de Développement de la Production Agricole au Mali</i>
SAVE	Save the Children-USA
SNV	Dutch Development Organization (<i>Organisation Néerlandaise de Développement</i>)
SO	Strategic Objective
TDRL	head tax (<i>Taxe de Développement Régional et Local</i>)
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

THE REPORT

The Shared Governance Program is a USAID-funded project implemented under contract # 688-C-00-03-00067-00 awarded in September, 2003 to Management Systems International (MSI). It is referred to in this report by its acronym, PGP, from the French name: *Programme de Gouvernance Partagée*. PGP is present in 250 communes and at the national level through partnership with four institutional partners and 15 national non governmental organizations (NGOs). Implementation of PGP has been carried out in 2 phases, the first targeting 73 pilot communes, the second adding 177 more communes to reach a total of 250. This third annual report is submitted in partial fulfillment of requirements of the above-cited contract, and covers the third year of project implementation (and USAID's FY06), from October 1, 2005 through September 30, 2006. This report also marks the end of the project base period. PGP staff conducted an evaluation of achievements between 2004 and 2006 and drew lessons to be applied to the option years. Results of the evaluation and lessons-learned exercises are integrated in this report.

CONTEXT AT PROJECT ONSET

Legal framework Malian law places responsibility for regional and local development squarely with the country's 703 communes. Law 93-008 of January 29, 1993 states under Article 3: "decentralized public entities hold the mission of conceptualization, programming and implementation of social, economic and cultural development actions of regional or local interest." Decree numbers 02-313, -314 and -315 / P - RM of June 4, 2002 specifically transfer responsibility over local planning, infrastructure and oversight to decentralized public entities respectively in education, health and water systems. In the lawmaker's intention, the commune is thus at the center of all development actions.

Planning and budgeting Guidelines for participatory development planning carried out in 2000 were largely ignored by the armada of consultants hired to carry out the process, and thus participation was generally limited to a number of council members and village heads. The resulting investment priorities generally favored the chief town to the detriment of outlying villages, and enabled political affiliations to play out. The identification of needs, moreover, was generally carried out by external technicians rather than elected officials, maintaining the communication divide between the latter and local constituents. The situation was similar for the budgeting process. Few communes involved constituents in budgeting. In 2002, 27 % of communes respected their legal obligation to hold a public debate on the budget.¹

Partnership Most of Mali's 703 communes were – and are – struggling to establish the credibility that is essential to build partnerships and exercise communal responsibilities and prerogatives over local social services and economic development. Among the numerous challenges posed to them in establishing productive partnerships are: limited resources, political divisions, weak or uncommitted local civil society leadership, development projects bypassing the commune, state technical services demanding payment for services, and personnel issues.

Financial management Communal financial management was in disarray. Legal procedures were generally only partially followed, and most communes did not produce management reports. As a result, financial management was opaque, there was no accountability and communes did not dispose of the information necessary to correctly budget and manage their revenue and activities.

¹ According to PGP baseline survey, carried out in 2004 and pertaining to the 2003 communal budget

Local resource mobilization Levels of resource mobilization were very low. Tax collection in 2004 was hampered in many places by disruptions caused by the election, and – in some places – by electoral promises of “no more tax collection” as well as by a disastrous agricultural season plagued by drought and locusts. The resulting aggravation of poverty and malnutrition prompted several mayors to stay soft on the collection of the local and regional Development Tax (TDRL) that year and the following. Field staff from all 7 regions identified the following key factors in their assessment of the situation in mid-2004: Failure to produce a tax roll, unclear chain of responsibility, unknown tax base, misinterpretations of taxation policy, lack of trust by taxpayers, conflict (including designation of the chief town, boundary disputes, conflict over replacements of village heads, and conflicts in the council). Over half of communes (56%) collected a smaller percentage of projected tax revenue in 2003 than the previous year. The values are similar for 2004 (53%).

Conflict The advent of decentralization, ushering in a new institution and the disruption of administrative distinctions and power equilibriums associated with it; along with increased pressure on dwindling natural resources and space, generate multiple conflicts of varying intensity and scope. Conflicts impact negatively on the commune, in several ways: projects often suspend or cancel their activities when major conflict erupts, violent conflict creates deep scars in relations between opposing groups. Traditional mechanisms existed in 64% of communes at the project onset. They are used to resolve conflicts at the village level, are more or less active and effective, with important variations between one village and another. These mechanisms were usually not linked with the commune. Conflicts that could not be resolved through these mechanisms were generally submitted to the judicial system, generally with no commune involvement.

Communications and dialogue A survey of the nearly 250 diagnostics carried out in 2004 and 2005 revealed basic traits shared by a great majority of communes: little or no communication between elected officials and local citizens, and little or no information or participation. Local actors in nearly all communes mentioned lack of information, communication and dialogue as key weaknesses. Constituents had little interest in communal affairs. For Sikasso and Kadiolo cercles², citizens demonstrated an interest in communal affairs in only 3 of 21 communes. For Bla and Koutiala there was little or no dialogue in 14 of 17 communes. This deficit in dialogue and participation hampered development initiatives by sapping the legitimacy of commune officials and their decisions.

Macro political Environment unclear relationships between levels of state and decentralized public entities, inadequate execution of transfers of responsibility to decentralized entities, and concentration of resources at the central level (87%) all impacted negatively on the decentralization process.

PGP DESIGN

PGP’s design addressed the problems above through a holistic, integrated approach that centered on ownership by individual communes, starting with a participatory diagnostic, individual action plans (PSP) pushed forward by local Governance Committees (GCs); and followed with the multiplication of spaces for dialogue; learning by doing; financial management support closely linked with resource mobilization, partnership and participation.

² Mali’s decentralization framework is made up of 703 communes, 49 cercles and 8 regions.

ACHIEVEMENTS

- Project Monitoring Plan data collected in August of this year indicates that 83% of communes now have a PGP-facilitated communications plan. Seventy-seven percent of target communes are reported as having held public meetings this year.
- Most communes also attempted to rally partners around a regular communal forum to exchange information and coordinate efforts. This proved difficult at first. As reported in the annual report for FY2004, only 12 out of 66 local development forums initiated by communes were active. The number of communes with forums reported active rose to 60 (out of 136 communes reporting) this year.
- A majority of communes with access to radio have made use of the airwaves as part of their communication strategy. Seventy-seven percent of communes have used the medium, principally to make public announcements and to sensitize constituents (53% and 45% respectively).³ Use of more interactive formats such as broadcasting of public events (council sessions, consultations) and producing public affairs programming (in the form of on-air discussion and debate) is roughly half as frequent.
- Data collected this year on indicator 1.1.1 shows that 94% of communes included between 3 and 6 participatory steps in their planning process in 2005, an increase over the 2004 baseline of 56%. Participation by civil society organizations (CSOs) was also significant, with 96.77% of communes consulting CSOs during the CDP process.
- Forty-one percent of target communes included 3 or more participatory steps in the 2005 budgeting process, up from 20% for the 2004 budget and 27% for the 2003 budget.⁴ As for CSOs, 89% of communes report CSO participation in the 2005 budget process, up from 64% for 2004. Participation by health and education CSOs in budgeting rose to 67 and 71% respectively, from 42 and 44% the previous year. Participation of water users associations and Natural Resource Management (NRM) CSOs rose from 11 and 17% of communes respectively for the 2004 budget to 17 and 24% for 2005.
- 68% of communes now participate regularly in health CSO meetings. Closer relations have led to formal partnership agreements in 28% of communes this year. Fifty percent of communes have programmed funding in support of health in their 2006 budget.
- 72% of communes now participate regularly in school management committees (APE/CGS) meetings. Closer relations have led to formal partnership agreements in 34% of communes this year.
- One result of closer relations between commune and APE/CGS is an increase in the number of communes that program APE/CGS funds in their annual budget. Sixty-three percent of communes have programmed APE/CGS funds in their 2006 budget.
- The number of formal partnerships increased in all sectors in target communes. Globally, the number of communes that have signed a new partnership agreement in the previous 12 months increased to 61% from 52% one year before.
- Participation by women's groups is noteworthy. Women were represented in as many communes (66%) as GRM technical services (65%). The figures on participation by women are telling of change initiated at the local level, much of which is attributable to relentless efforts by field agents to foster women's involvement. In many instances, women are participating for the first time in planning and budgeting, and their needs and aspirations are being heard: sixty-three percent of communes this budget year planned activities and/or investments targeted at women's needs, up from 59% last year and 36% one year before that.

³ Twenty-one percent of target communes have one or more radio stations in the commune.

⁴ According to PMP data collected in 2004, 2005 and 2006.

- . Baseline data collected in 73 communes in September of 2004 showed that 44% of target communes had increased the percentage of taxes recovered in 2003 when compared to 2002. That figure increased to 47% between the 2003 and 2004 budgets and to 59% between the 2004 and 2005 budgets
- 65% of communes actually increased overall revenue between 2004 and 2005. The total amount of taxes actually recovered in 2005 increased by 18.74% over the previous year. This means that 65% of communes together increased revenue by an average of 18.74%. Moreover, when taken globally, sample communes collected 50% of budgeted taxes on average in 2005, compared with 43% the previous year, an increase of 7 points or 16%.
- Results of PGP activity on financial management are positive, and have contributed to strengthening participation and accountability. PGP baseline (2004) for communes making regular reports to government and the public and having separate authorization and accounting functions was 14%. The figure rose to 20% in 2005 and to 33% this year.
- 83% of communes overall have produced an annual management report for the 2005 budget and have presented it to the council. In 36% of communes, the report was also presented publicly, a marked difference from project onset, at which time the majority of communes filed their management report one full year after it was due, eliminating the possibility of timely questioning and oversight by council members. Partner communes have also improved their general reporting to council. Data compiled from activity reports in March identified 75 out of 135 communes reporting (56%) where the Mayor makes regular reports to the council.
- As a result of PGP activity, the number of communes in which a conflict alleviation mechanism exists is steadily growing. From 64% of communes having a mechanism in 2004, the figure reached 76% in 2005 and 86% this year. In 2005, field agents helped establish mechanisms in 60 communes (24%); and 70 (28%) in 2006. Thirty-three communes out of 191 surveyed (17%) report having been involved in activities to prevent future conflict.

Macro political Environment

- The authority to manage school funds has been fully transferred to the municipalities in certain areas like education. Moreover, significant resources were transferred to the National Infrastructure Investments Agency (ANICT) as a result of the lobbying from the High Council of Municipalities (HCC) and the national Mayor's Association (AMM). As a result, communes will now program infrastructure investments in education instead of the Education Ministry.

SUSTAINABILITY

PGP achievements, evaluated quantitatively and qualitatively in this report, indicate there is strong progress overall in establishing participatory, accountable and sustainable local governance in target communes. In assessing the sustainability of progress made, differentiation between communes is needed. Factors such as social cohesion, politicization, mindsets, resources and partners, literacy and media access all influence outcomes. Communes were evaluated not so much on PGP performance criteria but on indicators of buy-in and commitment to the principles and standards proposed by PGP.

The results indicate a very strong – and not surprising – correlation between a commune being classified as “Advanced” and its prospects for sustaining the reforms achieved with PGP. Likewise, “Less-advanced” communes have relatively low prospects and “Emerging” communes’ prospects are mixed. In February and March of this year NGOs and field staff first rated their partner communes according to a mix of indicators formulated by each regional team based on PGP performance and operational indicators. As a result, 58 out of 250 communes were considered advanced (23%), 145 considered emerging (58%) and 47 considered less-advanced (19%).

Sustainable, productive and equitable local governance is ultimately dependent – among other things – on a cohesive, informed and organized citizenry. Advanced and emerging communes have made great strides

in partnership and participation, in dialogue and in financial management. But for this new openness can be short lived, is vulnerable, and should not be considered sustainable until much greater social organization has had time to fill this new open space. Sustainability can be achieved when constituents and groups see through the blindfold of extreme politicization; can and do make it impossible to run a commune with opacity. More time is needed to achieve this.

CHALLENGES TO SUSTAINABILITY

GOM administrative supervision and technical support Field personnel and 15 partner NGOs involved in PGP lessons learned exercise have underlined the problems posed by problems in administrative supervision of communes. Out of 17 factors cited as having a negative impact on communal dynamics, 14 out of 17 factors received 3 citations or less. Deficiencies in administrative supervision by the Interior and Treasury ministries was received 9.

The decentralization–deconcentration mix Bringing civil servants and administrations to provide technical support to decentralized public entities is problematic. Accounts from the field indicate that, in general, services must be paid. Moreover, Treasury and Interior agents allegedly receive “contributions to operating costs” from communes to perform their duties. These practices deprive cash-strapped communes from accessing technical assistance and sap the little resources communes do have.

Political divisions and political conflict In communes where politics dominate over common sense, political opponents invest themselves wholeheartedly in “sabotage” of commune credibility and initiatives. In this situation, not uncommon, the mayor has great difficulty in generating debate, mobilizing constituents or collecting taxes. Political divisions are the most often cited factor by NGOs for communes that have not progressed despite PGP support.

A. INTRODUCTION

1. CONTRACTUAL CONTEXT AND REPORTING STRUCTURE

The United States Agency for International Development (USAID) Mission in Bamako, Mali, awarded contract # 688-C-00-03-00067-00 on September 12, 2003, to Management Systems International (MSI) for implementation of the “Consolidating Mali’s Decentralized Governance System” project. Immediately following the signing of the contract and in accordance with the implementation approach described in its proposal, MSI subcontracted with CARE International, Save the Children USA, Koni-Expertise and International Resources Group (IRG) for project implementation, which began in mid-September 2003. The project, designed for five years, was funded at \$8,787,233 for three initial years, with an option for USAID to extend two additional years. Due to budget restrictions at USAID, MSI submitted a modified plan that included streamlining the management structure and the introduction of a Gender and Governance component. USAID opted to exercise an additional project year and left open the possibility of extending the project for a fifth year. The two expected intermediate results (IR) are:

- Participation of key communal level actors in democratic governance increased in targeted communes;
- Macro-political enabling environment strengthened;

The contract requires MSI to submit semi-annual and annual reports to the Cognizant Technical Officer (CTO) of the USAID Mission. This third annual report is submitted in partial fulfillment of the above-

cited contract, and covers the third year of project implementation (and USAID's FY06), from October 1, 2005 through September 30, 2006. This report also marks the end of the project base period.

This annual report is composed of six major parts:

- I. An Introduction, including the political context;
- II. An Implementation Report, including all major activities and progress toward results;
- III. A Public-Private Alliance/Cost share section, reporting on match contributions;
- IV. A Monitoring and Evaluation section, including a Results Tracking Table;
- V. A Conclusion, including a description of major obstacles and opportunities identified as well as an overview of planning for year four of implementation;
- VI. An Appendix, containing maps and other important supplementary information.

The program will be referred to throughout this report by its less wieldy acronym, "PGP", from the French title, *Programme de Gouvernance Partagée*.

Presentation of the report

As mentioned above, this report marks the end of the 3-year project base period and the beginning of the option period, for potentially two additional years of activity. PGP staff conducted an evaluation of achievements between 2004 and 2006 and drew lessons to be applied to the remaining years. The report, which constitutes MSI's Annual Report for Year Three as well as Final Phase I Report, fully integrates the results of the evaluation and lessons-learned exercises conducted in the fourth quarter of FY2006. The reporting structure is globally the same as past annual and semester reports. To incorporate the evaluation results, two elements have been added: *Context at Project Onset*, and, under Analysis, *Impact of Phase I*. An assessment of sustainability is presented under the *Conclusions* section.

2. POLITICAL CONTEXT

PGP staff provided support in 250 communes for implementation of their *Plans Strategiques de Partenariat* (PSP)—Strategic Partnership Plans—aimed at improving local governance, facilitated participatory evaluation of these PSPs and the development of sustainability and ownership plans in these communes, and participated in various meetings of the *Direction nationale des collectivités Territoriales (DNCT)*—National Department for Decentralized public entities, the *Comites Locaux d'Orientation* (CLOs)—Local Steering Committees, and the *Comites Regionaux d'Orientation* (CROs)—Regional Steering Committees for the purposes of sharing with other actors.

The comprehensive reform of Mali's administrative system with a major focus on decentralization originates from the 1991 national conference. Following popular uprisings against a non transparent and unresponsive government during a 23-year dictatorship, the government responded to the needs expressed by the neglected and oppressed populations of the country. With reforms based largely on a rationale to democratize the public realm, PGP shared governance approach matches decentralization reform objectives in Mali.

PGP is at a critical juncture in reinforcing grassroots democracy through decentralization. After three years supporting the decentralization and local governance process in 250 communes throughout 7 regions and the District of Bamako, PGP team has learned valuable lessons worth sharing.

2.1 PARTICIPATION AND PARTNERSHIP IN COMMUNAL GOVERNANCE

- Local elected official participation in meetings organized to study and make recommendations on the consolidation of the decentralization and local governance process proves weak, and merely token in some cases. In many meetings, government and administration officials outnumber local elected officials. Consequently, local representatives contribute very little to decisions taken or policies formulated at these sessions.
- Highly conscious of the need for communal ownership of governance improvement programs and for sustainable local governance systems, PGP teams facilitated the creation and installation of local committees to oversee PGP activities at the outset of the project. PGP teams also encouraged the creation of *cadres de concertation*--regular fora for consultation and discussion about issues important to local actors. Throughout PGP's project zone, many of these fora failed to function up to PGP expectations because participants, maintaining embedded expectations, anticipated compensation for their attendance. In response, PGP launched a vast program to evaluate how these mechanisms function and establish local governance improvement plans (PSP) plans in order to develop ownership and sustainability programs in each partner commune. The major challenge for PGP team in the continuation year will be to get these plans implemented
- Significant potential exists to develop Mali's private sector contribution, particularly in urban areas where contributions could be much higher. However, like the population that lacks confidence in the decentralized public entities, the private sector will never provide resources for the delivery of public services to communes so long as communes do not run their affairs in a transparent manner. Shared governance is contributing to the introduction of the type of transparency needed.
- PGP design was based on the assumption that strong commune councils and well structured, formally recognized civil society organizations were prepared and ready to take the lead on, participate in and contribute to the shared governance process. Realities on the ground contradicted this assumption. The majority of communes do not have functioning council commissions. And, most CSOs exist informally or were introduced awkwardly in a top-down fashion to serve the purposes of higher levels, thereby creating obstacles to the decentralization process. The best illustration of this is found in the education sector. The education sector introduced school management committees (*comite de gestion scolaire -- CGS*) which directly compete for management of the education system with their predecessor organizations, *Associations des parents d'eleves* (APE). In the health sector, the institutional weaknesses displayed by many local health associations (*Associations de Santé Communautaire -- ASACO*) were unanticipated. Also, economic activities and women organizations are in similarly bad states. These weak institutions cannot interact as anticipated without first undergoing institutional strengthening. These lessons forced PGP to change its approach to account for these conditions.
- Women's participation has improved in most places where the project specifically encouraged the promotion of such participation. Nevertheless, political and administrative elites do not actively support women's participation, as evidenced by the refusal of the national assembly to set quota for women in the new electoral law that Parliament recently passed. Consequently, PGP saw the need to place more emphasis on this aspect of the program, especially as it relates to leadership development and economic empowerment. It is an increasingly accepted wisdom that women's participation will increase with women's improved economic condition in the community and bring more pressure to bear on the political system.
- The quality of governance is highly dependent on the provision of *appui conseil* -- on the job training -- and the existence of *tutelle*, supervision or control mandated by the laws of decentralization. The communes need this partnership. There are many obstacles that inhibit *tutelle* from offering *appui conseil*. The obstacles relate to lack of logistic means, lack of financial resources and negative, established practice such as requesting payment for services rendered. Therefore, they do not contribute up to par to make consolidation of the system work.

2.2 COMMUNAL RESOURCE MANAGEMENT

The lack of available resources continues to pose a major problem in the functioning of communes and in the cultivation of a political environment based on trust, transparency, and responsiveness to citizens' needs. It threatens the survival of the commune as a political institution and the credibility of commune officials in the eyes of the citizens.

- Resource mobilization levels remain low when compared to the potential that exists in communes in general, particularly in urban areas. This is due to many factors, including lack dialog between actors, which leads to tax decisions that ignore people's capacity to pay; lack of transparency in the resources collection system, which leads to citizen refusal to pay their taxes because they know that the funds will be misused; and, the lack of public confidence in the governance system, which does not value accountability to citizens and continues to alienate them.
- Resource flows from the central government down remain at virtually the same level as prior years. Resources continue to be highly controlled at the central level, with little effort made to change that situation. Central sectoral projects continue to be designed and run as if the decentralization process did not exist.
- The success of elected officials largely depends on their ability to expand the resource base and thereby facilitate increased delivery of public goods and services to the population. Communes previously relied heavily on natural resources existing in the communes for their main tax base. Urban and rural communes continue to suffer a major loss of resource base due to suspension of their authority to distribute and sell land, which use to serve as main source of revenue.
- PGP and PACT/GTZ financial experts have collaborated to install financial management systems that respect existing rules and regulations. Central and local agencies with stakes in the results have offered limited backing, as evidenced by the lack of interest shown by technicians and state representatives. The *Tutelle* and Ministry of Finance field representatives must fully support these improvements for them to be successful.
- Despite government approval and publication of the decrees and statute for creation of local civil service (*fonction publique des collectivites*), establishment of the same continues to experience delays for many different reasons. As a result, communal support services experience a high level of turnover and deprive communes of an essential resource for their adequate functioning.
- PGP and GTZ financial management activities reveal that there are very negative practices entrenched in communal systems and representative offices at the local level, characterized by chronic lack of transparency, accountability, and impunity. Many officials and agents act as if there will never be controls over, consequences or punishment for the violations of legal requirements or performance deemed unsatisfactory by the public.

2.3 MACRO-LEVEL ENABLING ENVIRONMENT

At the beginning of the reporting year important changes occurred in the Malian political landscape, characterized by "consensus without opposition." For instance, due to changes in the leadership of the National Assembly, one of the most important political parties declared itself an opposition party and withdrew from leadership positions within the National Assembly. Some vice-presidents and commission presidents refrained from running for office.

The macro political environment clearly remains not entirely favorable to the decentralization process. Numerous developments in the decentralization and local governance consolidation process cause concern for those involved in grassroots empowerment.

- There continues to be a serious crisis of confidence in the political system at the local level. This is evidenced by the participation levels during recent partial legislative elections in Commune V and Mopti. Mopti saw a 30% participation rate while Commune V saw only a 12% participation

rate. This low level of participation is a serious cause for concern and should be taken into consideration in what PGP is doing everywhere.

- Local office is still not attractive to competent and committed citizens. Most of the things that go on now appear as if local elected officials are set up for failure. The latter are subjected to state administrative supervision that exercises little control, and state services that demand payment for service. They are invited to multiple training sessions that take them away from their communes and keep them from working on issues of interest to constituents. All these elements combine to dampen the self-confidence and self-esteem of local elites.
- Decentralization was a choice made by political actors in response to public demand. Therefore, it should enjoy the full support of political leaders. However, this is not the case today. The process lacks major political party support. The political realm is characterized by a *pensée unique* approach, with unanimous and unquestioning support for public choices by the political leadership. This suppresses major debates and contradictions that are characteristic of a very healthy democratic system. This state of affairs worsens as legislative elections approach.
- Another issue slowing consolidation of decentralization is the search for a parallel system of administration that will be exercised by appointed professional administrators. The professional state administrators have fought and won two battles. The first is related to the transfer of resources to the field offices. They were able to get a 720% increase in the resources for their field offices in the FY07 National Budget proposed by the Executive Branch. They are in the process of winning the creation of the new territorial administrative entities in the country. The President of the Republic himself announced this as being imminent in his Independence Day speech addressed to the people of Mali. It is feared that this move will increase the costs of administration without changing existing negative attitudes and behavior.
- Elected officials take a passive stance in publicly advocating for necessary changes. Much work remains to be done in order to strengthen the macro-political environment to support decentralization. Advances are largely donor driven and support the traditional approach in doing business. Advocacy in favor of devolving responsibilities still does not originate from elected officials or their institutions.
- Double standards clearly exist with respect to the transfer of resources to the commune level. When it comes to transferring resources to the prefects, governors, and ministry field offices, the government moves quickly to do so and transfers sizable levels of resources. The government conducted a study of the problem and recommended a remedy to the situation, and moved on the recommendations the following year by allocating a 720% increase in budget for deconcentrated state services at the regional level and below. At the same time, government officials who made the recommendation maintain that similar transfers cannot be made to the commune level because the elected officials are incompetent and corrupt, and that the national budget is too complex for such a step to be taken this quickly.
- The late-May outbreak of a rebellion in Mali's north creates a very difficult working environment for a program like PGP. PGP planned on increasing activities in Gao and Kidal. However, newspapers report that Algerian and Malian rebels are clashing. Unless there is a perception of complete security in the zone, this expansion is at serious risk.
- Elections are looming on the horizon. Consequently, PGP communal partners are likely to shift their focus away from PGP activities and towards election campaigns, which could seriously disrupt PGP activities. For instance, local officials may relax tax collection and transparent management requirements. Additionally, candidates might put PGP agents in awkward positions by seeking their influence or support for office.

3. CAPITALIZING ON STRENGTHS

Alongside the above causes for concern, many positive developments related to the consolidation of decentralization reforms are cause for satisfaction and can be capitalized on:

- The first of those developments continues to be demand for democracy and democratic governance among the urban and rural populations. It is obvious to everybody that the decentralization process is valued by the general public, is working, and is advancing the provision of valuable services to the population. In the words of one elected official “the *collectivités* have brought more services to the population in five years than the central government has in 40 years”. Realization of this phenomenon has resulted in expressions of support for decentralization and local governance at the national, regional and local levels. The president of the country himself stated that decentralization in Mali is irreversible.
- A second positive development is found in local and national authority support for PGP activities. The Ministry of Territorial Administration provides leadership and backs with full authority PGP accompaniment in communal financial management activities. National Department for Decentralized public entities (DNCT) and National Treasury and Public Accounts Department (DNTCP) officials, governors, and prefects throughout the country have been extremely supportive of PGP approach and sought PGP intervention in all communes in their circles. PGP will capitalize on this and continue working very closely with Ministry officials and all other administrative officials identified as being open and receptive to the Program’s approach. The success and sustainability of the Shared Governance Program is tied to buy-in from the Ministry.
- Third, some elected officials are breaking the wall of passivity and starting to fight for responsibilities that legally belong to them. The president of Segou’s regional assembly refused to let the Governor organize a conference on development in the region on the ground that only the regional assembly is entitled to conduct such an activity. He fought his case and won. This constitutes a major positive development in the sense that it shook up an established behavior of sitting back and accepting whatever appointed officials do.
- The fourth positive development is the richness of the institutional landscape that supports deconcentration and decentralization. The institution of the PARAD (the Program in Support of Administrative Reform and Decentralization) and its performance indicators are an example of positive developments that have already started to impact the transfer of responsibilities and resources. Provisions are made for the allocation of significant levels of resources to decentralized public entities. This conducive environment creates incentives for the executive branch to take seriously the decentralization process.
- The fifth major development is the establishment of the interministerial committee in charge of monitoring implementation of recommendations produced by the national workshop on transfer of responsibilities. The committee is active and has held 3 important meetings. Other ministries are beginning to be responsive to the push of the Ministry of Administration to prepare and implement further decentralization interventions at their levels.
- The sixth major development is the birth of a new political opposition, which is beginning to break the wall of the *pensée unique* and “consensus without opposition” with the Executive Branch. This new movement has introduced valuable debate on policy formulation and the implementation process that might benefit decentralization efforts.
- Private decentralization and governance monitoring committees are being designed and instituted. The private consulting firm *Centre d’Expertise Politique et Institutionnelle en Afrique* (CEPIA) and other actors have drafted a scope of work for the design of an independent body to oversee the governance process in general and decentralization and local governance in particular. Non-governmental oversight bodies will offer a more balanced level of information and provide actors with information originating from independent analysts.

- The creation of an interministerial committee in charge of monitoring implementation of Mali's operational plan for the transfer of responsibilities and resources, *schema operationnel de transfer des competences et des ressources*, is another step in the right direction. The DNCT is in charge of the secretariat of this committee. The installation of this committee raises hopes that the Executive branch will cooperate fully with the MATCL/DNCT and implement the transfer plan adopted at the National Workshop on the Transfer of Resources and Responsibility, held in 2005
- The implementation of the *Programme de Developpement Institutionnel* (PDI), with a major decentralization component, has also helped advance the consolidation of the decentralization process agenda. PDI has conducted many studies on the transfer of responsibilities and resources. These will be very helpful for civil society organizations that are ready to conduct advocacy activities. In addition, the program is innovating with its approach to institutional development as it relates to the satisfaction of clients and users of the administrative system. If this client-focus continues and is successful, it could have a spillover effect on the quality of support that administrators are bound to provide to commune officials.

B. IMPLEMENTATION STATUS REPORT

OBJECTIVE 1: PARTICIPATION OF KEY COMMUNAL ACTORS IN DEMOCRATIC GOVERNANCE INCREASED IN TARGETED COMMUNES

1. COMMUNICATION STRATEGIES

1.1 CONTEXT AT PROJECT ONSET

A survey of the nearly 250 diagnostics carried out in 2004 and 2005 revealed basic traits shared by a great majority of communes: little or no communication between elected officials and local citizens, and little or no information or participation. Local actors in nearly all communes mentioned lack of information, communication and dialogue as key weaknesses. Accounts by PGP NGO partners confirm that communal councils held few or no meetings with citizens. The only meetings held were in support of tax collection. This situation was consistent with low interest demonstrated by local citizens for the communal affairs. For Sikasso and Kadiolo, citizens demonstrated an interest in communal affairs in only 3 of 21 communes. For Bla and Koutiala there was little or no dialogue in 14 of 17 communes. This deficit in dialogue and participation hampered development initiatives by sapping the legitimacy of commune officials and their decisions.⁵

Communal dialogue has more than one dimension. The commune as an institution – the designated catalyst for development – must establish and maintain regular dialogue with its constituents as well as manage productive partnerships with CS Os, NGOs, and programs and projects initiated nationally. The communal institution needs to take initiative, but cannot achieve dialogue alone: it must be an objective of all local and national entities involved in development.

1.2 ACTIVITIES AND RESULTS

Enlarging public spaces through communications is one of PGP's key operating principles. PGP agents have invested considerable energy to help the commune establish and/or reinforce dialogue. Increased

⁵ Source: evaluation of phase I by PGP's 15 NGO partners

dialogue with constituents was cultivated through crafting and implementing communications strategies aimed at establishing and/or reinforcing regular and sustainable channels with constituents and groups. These strategies usually include reports on council sessions, communication on participatory processes such as planning and budgeting, resource mobilization drives, and consultations and forums on priority development themes. Project Monitoring Plan (PMP) data collected in August of this year indicates that 83% of communes now have a PGP-facilitated communications plan.

The major thrust of communications and dialogue was resource mobilization, followed by development planning and natural resource management. Other themes included vaccination drives, water management, civic registry, and conflicts. Moreover, 77% of target communes are reported as having held public meetings this year.⁶ These figures show a marked increase from the situation that prevailed at project onset.

To assess the impact of this marked increase in dialogue, one can consider the number of development initiatives presented to commune officials by local citizens. In 72% of communes, between 1 and 3 initiatives were proposed this year; in an additional 21%, 4 to 6 initiatives were proposed.⁷

PGP agents also provided guidance to the commune in reaffirming its relations with development programs and projects active on its territory. Partner communes inventoried ongoing initiatives and potential partners, and organized meetings to present their new development plans. This resulted in new partnership agreements for a number of communes. Most communes also attempted to rally partners around a regular communal forum to exchange information and coordinate efforts. This proved difficult at first. As reported in the annual report for FY2005, only 12 out of 66 local development forums initiated by communes were active. The number of communes with forums reported active rose to 60 out of 98 forums established (136 communes reporting) by March of this year, indicating good progress.⁸

One other factor indicative of progress is the number of actions initiated in partnership. According to data collected in August, 53% of communes initiated development actions through formal partnerships over the last 12 months, up from 40% in FY05.⁹ This progression in partnerships can indicate that communes are making more of an effort to link up with partners. It may also be an indication that more development programs are considering the commune as a valid partner – a naturally occurring phenomenon considering that communes have only relatively recently come into being (1999).

TABLE (1): COMMUNICATIONS AND DIALOGUE

% of communes that have a communications plan*		% of communes where public meetings were held**	% of communes in which local initiatives were submitted to commune (FY2006)**		% of communes with active development forums**		IR 13 % of communes that have addressed development needs through joint action*	
FY2005	FY2006		1 to 3	4 to 6	FY2005	FY2006		FY2005
74%	84%	74%	72%	21%	16%	32%	40%	53%

1.3 LOCAL MEDIA

A majority of communes with access to radio have made use of the airwaves as part of their communication strategy. Sixty-two percent of communes have used the medium, principally to make

⁶ source: data compiles from activity reports

** ⁷ Source: data compiled from activity reports

⁸ Source: data compiled from activity reports

* ⁹ Source : PGP Performance Monitoring Plan (PMP) data collected in August, 2006

public announcements and to sensitize constituents (57% and 47% respectively).¹⁰ Use of more interactive formats such as broadcasting of public events (council sessions, consultations) and producing public affairs programming (in the form of on-air discussion and debate) is roughly half as frequent.

Although media cannot replace direct exchange between elected officials and citizenry, radio can significantly widen reach and frequency of exposure to information and ideas. Media use is considered a key determinant in local resource mobilization, participation in planning and budgeting, as well as marketplace management, sanitation efforts, registering births, deaths and marriage. In Koutiala cercle, intense solicitation of PGP field agent occurred following on-air explanations of decentralization laws and policy. Communes close to a cercle chief town make more use of radio than communes that are further distanced from a station, and for which access is more difficult, and as a result enjoy greater citizen mobilization.¹¹

This year PGP collaborated with USAID’s communications unit and partner Helen Keller International under the Nièta Kunafoni (Communications for Development) initiative, lending its competencies to develop two messages on public participation to democratic processes. These messages were broadcast two to three times daily in 11 languages over 110 radio stations. Messages were crafted during training sessions in which 20 of PGP target communes’ partner radio stations participated. Moreover, PGP and USAID’s pilot Peace-building project, run by Africare, collaborated closely on the project’s media component in Timbuktu region.

TABLE (2): USE OF LOCAL MEDIA BY COMMUNES

PGP communes with access to radio**		Use of radio by PGP communes**		Use by programming type this period**			
from commune level	from cercle level	FY05	FY06	Sensitization	Announcements	Public events	Public affairs
21%	76%	67	118	47%	57%	25%	20%

Highlights:

On December 12 in Lere*, butchers, restaurant owners, kebab (*brochette*) street vendors, youth, women’s groups and commune officials met in town hall to talk meat. They did not mince words. Clandestine butchering of cattle was recognized as a health hazard, an encouragement to cattle theft, and a loss of revenue for the commune. According to state and commune representatives present, over 1,130,000 FCFA (\$2,360) of potential revenue is lost every year to clandestine operations. The ad-hoc assembly reached a consensus on means to stop the massacre: special identification of meat from legal establishments, a surveillance brigade, and confiscation of all meat found with clandestine butchers. The town hall meeting theme was chosen by the actors of Lere and involved all concerned. The authorities in Lere are showing rare dynamism these days. And they can now expect more residents of Lere to give them a hand.

*Niafunké cercle, Timbuktu region

PGP’s message on participation as a foundation of democratic governance strikes different chords in different communes. In Banco* it truly resonates with the Mayor. No communal investment or program decision is taken without wide consultations with village chiefs. Every quarter people can listen to commune management reports and Council sessions are public, which has generated keen interest on the part of commune actors. And after every speech, the Mayor gives credit to PGP. No wonder tax collection

¹⁰ Twenty-one percent of target communes have one or more radio stations in the commune.

¹¹ Source: evaluation of phase I by PGP’s 15 NGO partners

rates are at 77% for 2005. Now, with PGP and Keneya Ciwara, the commune is looking into the local health center's less than transparent management and has made recommendations to the ASACO for improvements. To be continued.

*Dioila cercle, Koulikoro region

2. BUILDING PARTICIPATION

2.1 CONTEXT AT PROJECT ONSET

Guidelines for participatory planning carried out in 2000¹² were largely ignored by the armada of consultants hired to carry out the process, and thus participation was generally limited to a number of council members and village chiefs. The resulting investment priorities generally favored the chief town¹³ to the detriment of outlying villages, and enabled political affiliations to play out. The identification of needs, moreover, was generally carried out by external technicians rather than elected officials, maintaining the communication divide between the latter and local citizens.

The situation was similar for the budgeting process. Few communes involved constituents in budgeting. In 2002, only 27 percent of communes respected their legal obligation to hold a public debate on the budget.¹⁴

2.2 ACTIVITIES AND RESULTS

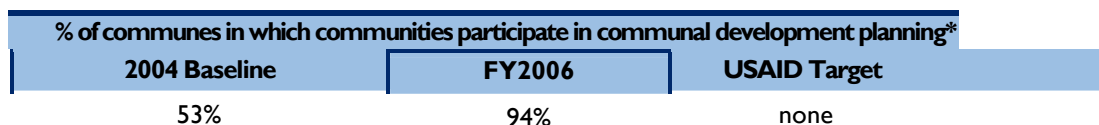
2.2.3 Public participation in planning

In 2005, all communes had to produce a new commune development plan (CDP) to replace the previous 5-year plan, produced in 2000. PGP made the 2005 process its highest priority. Regional PGP staff, working closely with Communal Support Centers (CCCs) and numerous development partners, were often the impulsion in efforts to widen and deepen participation, and involve traditionally marginalized groups such as women and youth. PGP was instrumental in establishing local surveying committees, some with as many as 33 members spread out at the village level to inventory needs. The committees involved commune officials and members of the council at the grass roots, multiplying exchanges with villagers and making them the architects of the plan from the very start. Participation in the launch of the CDP process, in prioritization and in reporting of results reached 56 persons per commune on average, 12% of whom were women. Rough estimates provide a total of 17,600 people participating in planning processes held in PGP target communes.¹⁵

THIRST FOR CHANGE

In Konséguéla,* community participation to the Community Development Planning process generated a true awakening. Participants became acutely aware of problems in water management and health. As a direct result of the process, a water users association was instituted with support of the communal council. This led to the funding of a water tower and public fountains with a financial contribution from local constituents. Now, what was a crisis in access to potable water has changed into a self-reliant, user-managed system that has generated 500,000 FCFA (\$1000 USD) in taxes to the commune. The commune has plans to introduce a similar system in 7 other villages in the commune.

Koutiala cercle, Ségou region



¹² Local development planning works on a 5-year rolling cycle; iterations are made each year and a new plan is produced at the end of the 5 years.

¹³ Central village where the seat of the commune lays

¹⁴ According to PGP baseline survey, carried out in 2004 and pertaining to the 2003 communal budget

¹⁵ ** Source: Data compiled from activity reports

Data collected this year on indicator 1.1.1 shows that 94% of communes included between 3 and 6 participatory steps in their planning process in 2005, an increase of 41 points over the 2004 baseline of 56%. Participation by CSOs was also significant, with 97% of communes consulting CSOs during the CDP process.¹⁶

IR 1.7.1 % of Communes where CSOs/CSOs consulted during CDP process*		
		2005 results disaggregated by sector
2005 CDP		
89%	Education	71%
	Health	67%
	Water	17%
	NRM	27%
	Economy	59%

2.2.4 PUBLIC PARTICIPATION IN BUDGETING

Public and CSO participation in the budgeting process seems a natural consequence of increased participation in planning. Forty-two percent of target communes included 3 or more participatory steps in the 2005 budgeting process, up from 20% for the 2004 budget and 27% for the 2003 budget.¹⁷ As for CSOs, 89% of communes report CSO participation in the 2005 budget process, up from 64% for 2004. This is consistent with data compiled from reports for the 2006 process (194 communes or 82%).

Participation by women's groups is noteworthy. Women were represented in as many communes (66%) as GRM technical services (65%).¹⁸ The figures on participation by women are telling of change initiated at the local level, much of which is attributable to relentless efforts by field agents to foster women's involvement. In many instances, women are participating for the first time in planning and budgeting, and their needs and aspirations are being heard: sixty-four percent of communes this year conducted activities and/or made investments targeted at women's needs, up from 59% last year and 36% one year before that.¹⁹

Communes are more likely now to budget annual investment according to their 5-year plan. Sixty-six percent of communes programmed 2005 and 2006 annual investments precisely according to what was

* Figure for FY2005 is not shown. CDP is a 5-year plan. For this reason, only FY2004 (pertaining to the 2000 CDP process) and FY2006 (pertaining to the 2005 CDP process) are relevant.

¹⁶ IR 1.1.1 - % of communes in which communities participate in the preparation of the CDP, results for FY06

¹⁷ According to PMP data collected in FY2004, FY2005 and FY2006.

¹⁸ Source: Data compiled from activity reports.

¹⁹ IR 3.2 - % of communes where activities target women's needs, PMP data for FY2006, FY2005 and FY2004 (baseline). Note: this figure is also influenced by the number of external initiatives that target women's needs

¹⁹ According to PMP data collected in 2004, 2005 and 2006.

planned (100% of annual investments were part of the CDP). This compares with 56% for the 2003 budget.

Participation by community-based organizations has also increased significantly, to 89% of target communes for the 2005 budget, from 64% one year before. Project Monitoring Plan (PMP) data shows that in 71% and 67% of target communes respectively, education and health CSOs participated in the budget process, up from 44% and 42% last year. This marked evolution is also true for CSOs in water management (17%, up from 11%), natural resource management (27%, up from 16%) and production-based entities such as cooperatives (58%, up from 34%).

TABLE (3): PARTICIPATION IN THE COMMUNAL BUDGETING PROCESS

IR 1.2.2 % of communes in which communities participate in preparation of the communal budget			
2003 budget	2004 budget	2005 budget	USAID performance target
27%	20%	42%	none
IR 3.2 % of Communes where budgeted activities target women's needs			
2004 Baseline	FY2005	FY2006	USAID target for FY2006
36%	59%	64%	55%
RI.I % of Communes where annual budgets reflect CDP priorities			
2004 Baseline	FY2005	FY2006	USAID target for FY2006
56%	66%	66%	68%
IR 1.7. 1 % of Communes where CSOs/CSOs consulted during annual budget planning			
	2004 budget	2005 budget	
By sector:	64%	89%	
Education	44%	71%	
Health	42%	67%	
Water	11%	17%	
NRM	16%	27%	
Economy	35%	59%	

3. ANALYSIS

3.1 IMPACT OF PHASE I ON BUILDING PARTICIPATION

By all measures and accounts, public participation has increased dramatically in target communes. This is the result of 250 individual partnerships drawn and executed by communes with support from the Shared Governance Program (PGP). Dialogue, communication, widened and deepened participation have had a significant, visible impact over the past three years. The following paragraphs summarize the types of impact recorded and provide examples. The story of Diédougou, in a textbox below, is one of the prime examples of how the introduction of dialogue into a community can impact relations and outlook.

- **Citizen and CSO buy-in.** The capacity of communes to gather voluntary cash and in-kind contributions by communities is weak. In reported cases, local entrepreneurs discretely provide the cash contribution required by the financing organization, instead of the community, with negative impact on quality of construction and durability of infrastructure. In communes such as Dembela, Tietembougou, Dombougou, Loulouni, Farakala, Soukourani and Missikouro,²⁰ participation led to voluntary investments in time and energy by the local population to construct bridges and public buildings. In communes such as Toridagako, Konna, and Diébé,²¹ local CSOs such as parent associations (APE) and local health associations (ASACOs) provided the required cash contributions to externally-finance construction, additional teachers and, in some cases, public participation in the local development planning process. Contributions by local CSOs are a result of greater awareness by CSOs of their role and responsibilities in communal life and participation in the communal diagnostic, in planning and in budgeting. Voluntary contributions are an important indicator of healthy local governance.
- **Resolving conflict.** Conflict has many sources. Deficiency in dialogue and deficits in communication worsen and complicate simple misunderstandings, leading to severed relations and a breakdown in the normal functioning of interrelated institutions. Participatory communal diagnostics pointed to a lack of information and communication as a key problem. The diagnostic process itself led to the unearthing and resolution of many conflicts. Significant public participation in presentations of the CDP, such as in Missirikoro (192 participants including 51 women), and in Sokourani-Missirikoro (138 participants including 48 women)²² was never before seen, and led to heated debate. Following that new experience, dozens of actors reconciled their differences. Dialogue associated with participation in planning also indirectly resolved conflicts, such as in Zaniéna,²³ where presentation of the development plan in the villages of Warana Sokoro and Warana Sokoura initiated the resolution of a conflict around the local school.
- **Local resource mobilization.** Through participation in diagnostics, planning and budgeting, local actors were exposed as never before to the financial and infrastructural realities of their commune, and confronted with the commune as being their collective property rather than that of the mayor. Improvements in the commune's financial situation in 2005 over 2004 are partly attributable to this awakening and to the opportunity to voice opinions and concerns. In Diédougou,²⁴ a member of the council declared: "communication has had the impact of bringing the [tax] collection rate to where it was when police were used. Information through ... debate and consultation bring a certain equilibrium and cohesion in society." In several examples, such as in Madiama,²⁵ debate around the diagnostic led to the identification of new revenue streams and negotiated rates and collection schemes. In numerous examples, fee collection on markets was dramatically improved as a result of participation on the issue by merchant associations. In Bourem Sidi-Amar²⁶ the communal budget was multiplied four-fold when village herders participated honestly in a cattle inventory. As these examples illustrate, participation is essential to resource mobilization in numerous ways, from prioritization of public investments to fiscal inventories, management oversight, infrastructure management and tax collection. In marketplace management alone, partner ALPHALOG (Niono and Macina) points to dialogue as the reason for improved management and collection rates from market places in eight of 19 communes.
- **Improvements in planning and budgeting.** PGP investments in broadening and deepening participation in the planning and budgeting processes have generated improvements to both. By

²⁰ Sikasso and Kadiolo cercles, Sikasso region

²¹ Kadiolo, Niono and Mopti cercles respectively

²² Sikasso cercle, Sikasso region

²³ Sikasso cercle, Sikasso region

²⁴ Ségou cercle and region

²⁵ Djenné cercle, Mopti region

²⁶ Dire cercle, Timbuktu region

all accounts, improved participation in planning has made prioritization of investment more equitable: priorities are more in line with greatest need, benefiting outlying villages traditionally left behind. Greater participation in the budget process has improved budget quality and equity. Certain communes in the Sikasso cercle report reduced budgeted costs on travel by elected officials. Niéna reports special budget funds put aside for indigents. Increased public scrutiny makes it more difficult for mayors to load travel and fuel items disproportionately, resolving an issue common to many communes.

- **Women and the public sphere.** Increased participation by women influences not only participation numbers but also mindsets. In the minds of many men and women, the communal institution was reserved for men. Several examples from PGP communes suggest an evolution in this regard. In the commune of Soboundou,²⁷ during intercommunity dialogue day in which there were as many women as men (47), the president of the local chapter of the CAFO federation of Women's associations declared: "In 2000 we were not consulted on the development plan; we do not want this to happen again." In Konna,²⁸ the president of the local women's association declared: "Women's role in public gatherings was food preparation; today the men understand that we have a role to play in development, and we participate whenever invited." In Téli,²⁹ the president of the local women's association declared "Before PGP we did not exist; things were decided in our absence. Now our needs are in the [commune development] plan and we will follow through; for example the decorticators³⁰ and mills planned for the women of Fatakara, Hanguabera and Bougoumeira."

Women's participation has also impacted the number of communes that program investments targeting women's economic activities and social preoccupations in health and education. In the commune of Dégnékoro,³¹ women pressured the council and won considerable gender-specific investment, including a communal subsidy of 150,000 FCFA (\$300 USD) per organization to help women's groups develop capacity.

- **Defending rights.** As constituents become used to speaking out, they are less likely to keep silent when they suffer or witness abuse. When people in Niéna were charged 10,000 FCFA (\$20) for nighttime emergencies by the new doctor at the local health center, they complained to their councilor and a delegation met with the council. The doctor was summoned through the local health association (ASACO), admitted his deeds, presented an apology and agreed to reimburse patients. This story reminds us that when health is locally managed and the commune has oversight responsibilities, improvements in participation and dialogue can translate into accountability by civil servants. In the opinion of field staff, without the changes facilitated by PGP, it is unlikely that people would have dared speak out against the doctor.

PGP partner ACOD (Sikasso and Kadiolo) observes: "When leaders familiarize constituents with dialogue, the latter systematize the obligation of the former to be accountable. Faced with development problems, it is constituents that question commune officials." Though ACOD is enthusiastic about the changes observed in Sikasso region, increases and improvements in dialogue and participation described above should not be considered durable just yet. Initial increases such as described and measured above, initiated and encouraged by the presence of an external, donor-funded and executed temporary program, remain fragile. Two principal factors, identified by PGP field staff stated in the phase I lessons learned exercise conducted in October of this year, warn against overly optimistic views of achievement of

²⁷ Niafunke cercle, Timbuktu region

²⁸ Mopti cercle and region

²⁹ Goundam cercle, Timbuktu region

³⁰ Decorticators are used to remove the outer shell of rice

³¹ Dioila cercle, Koulikoro region

sustainability at this point in time. One is personal interest of elected officials, second is the cost of dialogue as compared to its immediate rewards for participants.

Communes represent an economic opportunity for the elite of urban and rural communities. Campaign costs need to be recovered. The mayor is chosen by the council, and that chair is usually not given away for free. There are several examples of communes where market fees are simply, and naturally, divided up among council members, and many more examples where the mayor manages local market fees personally. Increases in participation, coupled with improvements in financial management and transparency, pose a challenge to old ways. There are numerous examples of blatant irregularities uncovered as a result of increased participation by CSOs and citizens, much to the embarrassment of communal officials. In certain communes, elected officials backtrack on reform once increased scrutiny and transparency threaten their ability to maneuver. Until participation and transparency is rooted in the minds of citizens willing to fight for it, current improvements run the risk of fizzing out. And the process whereby power relations and dynamics evolve cannot be expected to play out in a majority of communes over the course of just a few years.

Secondly, participation is an investment in time and energy. It is probably fair to say that a significant number of citizens and local actors have come to the realization, through PGP-facilitated activities, that the commune belongs to them and that they have a clear responsibility in making it work. That in itself is a major step forward. By identifying priorities and reviewing the budget, they also have realized how commune decisions and management can impact on their well being. One must keep in mind, however, that most communes have very limited means, thus the impact of participation as perceived by citizens, can be limited as well. People make choices everyday on how their available time is spent. For communal dialogue to deepen and take hold, it must serve a purpose closely linked to the participant's interests and translate into concrete changes deemed valuable by the participants. In that respect, the results listed above, under *Impact of phase I on building participation*, can serve as a measure of the sustainability of dialogue.

When asked whether communal dialogue has “progressed between FY2005 and FY2006,” the answers from partner NGOs vary. In the more advanced zones,³² Dialogue is progressing in 78% of communes; in more difficult zones, progress was recorded in only 33% of communes. Reasons for progression were identified as: 1) elected officials have realized (through participation) that there are many malcontent constituents; 2) a growing number of externally-funded initiatives stress greater participation; 3) Elected officials have realized that participation facilitates implementation; 4) NGOs are beginning to demand to participate.

In the communes where dialogue did not progress, NGOs point to political conflict and to the mayor's “temperament” most often as root cause. Other reasons cited for no or slow progress include lack of means (for transport and meals), illiteracy, the habit of receiving per diems from development agencies for participation, distances and difficult roads, and absenteeism. The observations were confirmed by the results of the lessons-learned exercise of October.

In the opinion of PGP field staff at the end of the lessons-learned and planning exercise: “Dialogue has progressed significantly, but is still too timid, and must be deepened and widened still in order for it to become an engrained and irreversible aspect of local governance. A majority of elected officials are still resisting, and have vested interests at stake in continued opacity and ignorance.” The group proposed that work with community leaders must be intensified in order for dialogue to be sustained over time, and that participation must be deepened to members of individual organizations, as opposed to being limited CSO leadership.

³² PGP works in 15 zones, each covered by one Malian NGO

4. BUILDING PARTNERSHIPS

4.1 CONTEXT AT PROJECT ONSET

Malian law places responsibility for regional and local development squarely with the country's 703 communes. Law 93-008 of January 29, 1993 states under Article 3: "decentralized public entities hold the mission of conceptualization, programming and implementation of social, economic and cultural development actions of regional or local interest." Decree numbers 02-313, -314 and -315 / P - RM of June 4, 2002 specifically transfer responsibility over local planning, infrastructure and oversight to decentralized public entities respectively in education, health and water systems. In the lawmaker's intention, the commune is thus at the center of all development actions.

Globally, this means the commune is the central axis around which local development is programmed and carried out. This in turn means that the communal institution needs to manage multiple partnerships in order to 1) coordinate various different externally-funded sectoral development initiatives; 2) work closely with state technical services in health, education, water and natural resource management, and agriculture; 3) provide oversight and facilitation to CSOs involved in the delivery of local services in health, education, management of water systems and natural resources, and work collaboratively with organizations involved in agricultural production and other economic fields. Responsibility for partnership building does not lie with the commune alone, it is the responsibility of all entities involved in local development.

Most of Mali's 703 communes have been struggling to establish their credibility and fill their prerogatives. Among the numerous challenges posed to them in establishing productive partnerships are: knowledge and understanding of the commune's responsibilities and prerogatives; resources too limited to finance investments or significant productive activities (overdependence on external programs); weak financial management and insufficient oversight from central government (lack of credibility); political divisions (governing relations with CSOs); weak CSO partners; development projects bypassing the commune (because of expediency and/or negative image of commune), the cost of state technical services (many technicians demand per diems and sometimes fees for service); lack of qualified staff and staff turnover; CSOs not mobilized in the defense of shared interests.

Building and sustaining productive partnerships is thus central to attaining decentralization's premise of improved well being through proximity of decision making and constituents' involvement in local affairs. The multiple partnerships detailed above suppose good capacity on the part of elected and other commune officials and their partners to communicate, negotiate, and resolve conflicts and other problems. And, as for improvements in public participation, there are vested interests within the commune and within other entities that are challenged by the added transparency and accountability that stem from open and formal partnerships. CSOs with formal partnership agreements and funds from the commune look more closely at the ways in which officials manage finances. Commune officials that provide funding to the local

THE BUCK STOPS IN DIEDOUGOU

In Diédougou,* the public presentation of diagnostic results had the impact of a freight train on constituents. Reacting to very low numbers on local resource mobilization, commune village heads and CSO representatives had a field day, pointing to irresponsible statements made during the electoral campaign and bad fiscal management. It was strongly recommended by village heads that elected members of the council "make a sacrifice of their time" to improve tax collection rather than request indemnities every time they tour villages. Councilors were also summoned to go back to villages and undo the irresponsible comments of the last campaign. This way, it was said, they could begin to resolve the "communications deficit" identified in the diagnostic. Village heads, in return, agreed to serve as intermediary between the commune and the village, to improve village-level coordination of communal activity.

*Dioila cercle, Koulikoro region

health association and espouse their oversight responsibility often threaten long standing monopolies of power from local elites over many service delivery CSOs. As MSI stated in its proposal to USAID for the Shared Governance Program: “The best way to keep local governance from becoming local dictatorship is to ensure a variety of opportunities for citizen participation, beyond those of their leaders alone.”³³ Open and formal partnerships are complementary to increased participation and instrumental in fostering responsible behavior in elected officials and CSO leadership.

In its program proposal MSI adopted as a fundamental principle the identification and optimization of synergies. “The consolidation of decentralization (...) will be largely dependent on the improvement of basic services such as health, education, and potable water and the creation of economic opportunities”.³⁴ PGP staff provided guidance and mentoring to partner communes in their attempts to reinforce relations with externally-funded projects as well as with local CSOs. In doing so PGP field staff facilitated multiple partnerships in health, education, water management, agriculture and natural resource management. Through those partnerships the commune invested itself and became more closely linked to social service as well as productive activities. The hypothesis behind this effort is that by reinforcing the local governance aspect of sectoral development programs, including working more closely with the commune, there is value added that translates into concrete results and improved outlook for sustainability.

In the FY2004 annual report we reported that, 68 of the 73 communes in which PGP carried out activities outlined in individual Strategic Partnership Agreements initiated outreach efforts to improve services, including 37 in natural resource management (NRM), 7 in health and 16 in education. In the great majority of cases it was the first time the mayor and council members actually met and held discussions with individual service organizations active within their commune. In FY2006, the number of PGP target communes that multiplied their number of partners and synergistic activities increased dramatically. The partnerships led to numerous examples of conflict resolution and the renewal of “long-expired” CSO boards, an increase in the number of formal partnerships, the tapping of new revenue streams, and improvements in the management of public funds.

The sub-sections, below, provide detail on activities and results for FY2006 under health, education, water management, natural resource management, and other partnerships.

4.2 ACTIVITIES AND RESULTS

4.2.1 Partnerships for health

Context

Since 1994, community health centers (CSCOM) have been managed by local health associations (ASACO). ASACO boards are elected by representatives from each village in the CSCOM area of coverage. Technical supervision of CSCOM staff and national standards are ensured by the cercle-level health center (CSRF). In 2004, primary responsibility for health was transferred to communes, with explicit responsibility over planning, funding and oversight of ASACO management of the health center.

Among the problems encountered in the management of local health are: weak management of the CSCOM by the ASACO, low CSCOM membership and participation by members, opaque financial management practices, non-renewal of ASACO boards and weak internal democratic governance of ASACOs, and little or no oversight of ASACO management by the commune. It is estimated that roughly half of ASACO boards’ tenure has expired.

³³ Consolidating Mali’s Decentralized Governance System ; Technical Proposal ; March 19, 2003, page 5

³⁴ Consolidating Mali’s Decentralized Governance System ; Technical Proposal ; March 19, 2003, page 12

Health and governance programs have a complementary role in strengthening local governance. Improvements in management and technical capacity need to be accompanied by increased accountability of CSCOM staff and ASACO board members for improvements to be sustained. PGP, by establishing or re-establishing dialogue between the commune and ASACO and informing partners about law and policy facilitates the normal institutional functioning in local health centers and promotes accountability. The establishment of formal relations including management reports to ASACO members and to the commune, communal health funding, participation of health officials in drafting annual communal budgets, commune interventions to re-establish or preserve internal democratic principles and resolve conflict within ASACOs and promote membership all complement efforts by health programs to build management capacity within ASACOs, improve basic health services, and improve implementation of national health policy and programs in the community.

Activities

In the first year of full operation (FY 2005), PGP and its health partners gradually learned to work together, discovering complementarities and establishing the mechanics of synergistic cooperation. Activities targeted at health were carried out in eight of the program's 73 first year communes.³⁵ (11%) This year (FY 2006) PGP facilitated the conduct of activities to support health in 155 of its 250 communes (62%), working closely with USAID's health SO, mostly through the Keneya Ciwara program implemented by CARE International.

Synergy has generated greater results for both programs. As PGP partner OMAES reports: "The teams plan jointly and participate together in both ASACO and council meetings in all communes in which there is PGP and Keneya Ciwara presence. This approach has enabled the partners to solve several ASACO institutional problems and to foster greater acknowledgement of and commitment to health issues by the council. PGP and Keneya Ciwara use both ASACO and council channels to transmit key ideas and information on health and on local governance."

A broader reflection has been initiated at the national level, facilitated by USAID's Health and DG SOs. This reflection culminated in a national Health-DG workshop in July 2006, and a joint activity in Bandiagara in September of the same year. The workshop, a pilot experiment on health and governance synergy, helped health authorities and three communes that share a CSCOM understand law and policy on health and decentralization, and move toward the resolution of a long-standing situation surrounding the Bandiagara CSCOM, for which the statutory general assembly is years overdue.

The most common types of support provided in synergy this year center around the establishment or re-establishment of normal relations between the ASACO and the commune and include ASACO participation in planning and budgeting, explaining law and policy, facilitating joint meetings, mentoring mayors when intervention by the commune is warranted, helping ASACOs register statutes and resolving conflict.

Results

As a result of activities, participation by ASACOs in commune life and participation of commune officials in ASACO meetings have increased. Seventy-five percent of communes have consulted the ASACO in the 2005 planning process. The 2005 budget process included participation by ASACOs in 67% of communes, a 25-point increase over the 2004 process (42%). Inversely, 68% of communes now

* Source: data from PGP Performance Monitoring Plan collected in FY06

** Source: data compiled from activity reports

³⁵ PGP reached full implementation in 250 communes in 2 steps, testing approach and methodology in 73 communes beginning in May 2004, and expanding to include the remaining 177 communes in April of 2005.

38% of communes this year.

One result of closer relations between commune and ASACO is an increase in the number of communes that program ASACO funds in their annual budget. Fifty percent of communes have programmed ASACO funds in their 2006 budget.

Commune involvement in health centers generally around the mayor and his deputies. A minority of communes (34%) have a functioning health commission at this time.

The figures above indicate that relations between the commune and local health associations have been significantly strengthened. One of the impacts of communal consultation of ASACOs has been to increase the number of instances in which the commune provides funding for health. Moreover, increased communal oversight through participation in ASACO meetings has begun to yield positive results on health governance: in at least eight cases commune participation led to a decision to initiate a general assembly, intervene to overcome conflict, or initiate greater transparency through regular management reports to members and to the communal council. In at least five more cases, PGP–Keneya Ciwara work in synergy led to increases in visits to the health center due to improved relations with constituents. As PGP partner Action Mopti put it: “The progress is enormous. Before, elected officials only cared about infrastructure and not functionality or management.”

TABLE (4): GOVERNANCE AND HEALTH

% of communes with PGP contribution to health		IR 1.7 % of Communes That Consulted Health CSOs During CDP Process		IR 1.7.1 % of Communes where health CSOs/CSOs consulted during annual budget planning	
FY2005	FY2006	FY2005	FY2006	FY2005	FY2006
10%	62%	64%	75%	42%	67%
% of communes budgeting health infrastructure	% of communes budgeting funds for the local health center	% of communes that participate regularly in ASACO meetings	% of communes with a functioning health commission	% of communes that have signed a partnership agreement with an ASACO in the last 12 months	
FY2006	FY2006	FY2006	FY2006	FY2005	FY2006
60%	50%	68%	34%	21%	28%

Highlights:

Twelve out of 14 communes in the Dire and Niafunké cercles now provide funds for health. The average subsidy is \$850 and pays the salary of certain CSCOM personnel. Working with PGP to increase revenue, 10 of those communes have increased their tax collection rate this year, up from 6 communes one year before. Overall revenue for the communes of Dire and Niafunké reached \$161,000 USD in 2005, up from \$155,422 one year earlier. As communes increase revenue and strengthen relations with ASACOs, it is fair to presume that more local resources will go to health, and that financial resources for health will be managed more transparently, leading to greater efficiency.

The communes of Zanina and Mpressoba in the Koutiala cercle, which share one CSCOM and ASACO, have entered into an intercommunal management agreement, allowing them access to \$3000 in special intercommunal investment funds from ANICT.³⁶

Keneya Ciwara and PGP field agents together came to a common understanding about the necessity of reviving a failing local health association. They conducted a joint effort to support the Zaniéna ASACO (Sikasso) in establishing closer links with the local population. Result: the ASACO went from 0 members to 460 as soon as community members understood that it was in their best interest to sign up and participate.

In Sincina, PGP and Keneya Ciwara agents together helped the mayor deal with an ASACO in which the board's tenure had long expired and there were no management reports. The mayor pushed the ASACO to initiate a general assembly and present a management report. Significant financial misappropriations were uncovered, and the CSCOM manager promised to reimburse several thousand dollars. Against that backdrop a new board was elected by the assembly. With new experience and confidence gained by the ASACO village representatives to the assembly and the Mayor, the ASACO now builds management capacity with one paramount element that was previously missing: real management oversight by a legitimate, active board backstopped by the commune.

Niéna (Sikasso) is one of the more advanced PGP communes. With PGP support, Niéna went from 33 to 100% tax recovery. The commune also went from having no relations to establishing multiple initiatives and partnerships with local associations and state services, which has resulted in a significant increase in requests for accountability from both parties. This year Niéna's budget includes 800,000 FCFA (\$1,600) in funds to three health centers. And now Niéna is taking a closer look to ensure health center management by local ASACOs is on the up and up, and that these precious newly mobilized local resources are managed to the benefit of the people.

The board and executive committee of the local ASACO in Madiama (Djenne) were elected in 1995 and had not been held accountable to a general assembly since. No information on the management of the local health center was available to ASACO members, village delegates to the ASACO assembly, or the commune. In 2005, the public demanded a general assembly, and one was organized and a new board elected. But then the old board refused to turn over the keys, creating a conflict the commune did not know quite how to handle. With PGP facilitation, the commune was able to broker an agreement between the old and new boards in January 2006. Now a healthy relationship can develop between the people of Madiama and their local health center.

In Konséguéla (Koutiala) PGP and Kenya Ciwara worked together to help the ASACO facilitate a public meeting on local health involving the commune, the health ministry, and village heads. As a result, membership in the ASACO jumped from 70 to 300, and the ASACO participates fully in communal life.

4.2.2 Partnerships in HIV/AIDS

This year PGP and USAID's HIV/AIDS coordinator began exploring ways in which PGP could contribute to USAID's HIV/AIDS program implementation in the framework of Mali's National Framework for the Fight Against HIV/AIDS. The first targeted activity was a survey to assess the level of collaboration between target communes and NGOs involved in HIV prevention. Results show that roughly 50% of target communes have participated and/or collaborated in HIV prevention activities organized by an NGO. In 45% of cases, the NGO was local, having its head office in the same cercle as the commune.

³⁶ National Investment Agency for Decentralized public entities (ANICT)

budget process and that 14% of target communes included HIV/AIDS objectives in their 2005 5-year development plan. Moreover, in all communes in which an HIV/AIDS NGO is active, either the mayor or the NGO are already aware of the National Framework for the Fight Against HIV/AIDS.

The results were discussed with USAID and PGP field staff in October. Participants concluded that communal links with HIV/AIDS activity was encouraging and that efforts needed to be made to expand and intensify communal participation in the national fight against HIV/AIDS. Meetings will be held in the first quarter of FY2007 to establish an action plan.

4.2.3 Partnerships for education

Context

At the time of Mali's independence, the Education Ministry delegated part of its responsibility for the management of schools to local parent-teacher associations (APEs). In 2004, the Ministry modified the participatory framework for school management through decree no. 0469 MEN-SG, transferring management responsibility from parent-teacher associations to school management committees (CGSs), headed by school officials. Many problems have been encountered locally in establishing the CGSs. In some instances, the Ministry establishes CGSs directly, bypassing the commune. In most, the CGSs are not yet established or lack the facilitation and mentoring necessary to become operational and effective. Numerous schools are plagued by conflict arising from the transfer of management responsibility from the parent-teacher associations to the CGSs.

In a 2004 decree numbered 02-313, the government explicitly transferred responsibility over education to decentralized public entities, and charged the commune with planning, infrastructure and equipment, raising school attendance, literacy and catch-up programs, personnel management, and financial contributions.

As with the health sector, there are clear complementarities between education and local governance. The commune, by its legal obligations and its physical proximity to schools, has a key role to play in the promotion and organization of primary and special education, in partnership and with the technical support of the Education Ministry.

Activities

PGP investments in education, in partnership with local education officials (CAPs), the USAID-funded Education Quality Support Program (PAQE), and others were dramatically expanded this year. PGP involvement in education rose from 16 communes out of 73 (22%) in FY2005 to 102 communes out of 205 (60%) in FY2006. Main activities implemented in synergy include widening and deepening participation around the elaboration of local education development plans, promoting communal dialogue on education, fostering commune participation in APE/CEG activities and vice-versa, and establishing partnership agreements between commune and APE/CGS.

Results

As a result of activities, participation by APE/CGSs in commune life and participation of commune officials in APE/CGS meetings have increased. Eighty percent of communes have consulted the APE/CGS in the 2005 planning process. The 2005 budget process included participation by APE/CGSs in 71% of communes, a 27-point increase over the 2004 process (44%). Inversely, 46% of communes now

participate regularly in APE/CGS meetings. Closer relations have led to formal partnership agreements in 46% of communes this year.

One result of closer relations between commune and APE/CGS is an increase in the number of communes that program APE/CGS funds in their annual budget. Twenty-three percent of communes have programmed APE/CGS funds in their 2006 budget. Moreover, 58% of commune councils have a functioning education commission.

Results indicate a clear progression in commune involvement in primary and special education and, inversely, APE/CGS participation in commune activities. In 15 of PGP's 21 target communes in Sikasso and Kadiolo, regular fora on education take place with energetic commune participation. Intensified partnership has impacted positively, in certain cases, on school attendance, contributed to resolving conflict at the school level, increased school funding by communes, increased activity by council education commissions and, in a general sense, increased awareness of education issues and respective responsibilities among actors in the community.

TABLE (5): GOVERNANCE AND BASIC EDUCATION

% of communes with PGP contribution to education		IR 1.7 % of communes that consulted education CSOs during CDP process		IR 1.7.1 % of Communes where education CSOs/CSOs consulted during annual budget planning	
FY2005	FY2006	FY2006		FY2005	FY2006
22%	60%	80%		44%	71%
% of communes budgeting education infrastructure	% of communes budgeting funds to local schools	% of communes that participate regularly in APE/CGS meetings	% of communes with a functioning education commission	% of communes that have signed a partnership agreement with a local school in the last 12 months	
FY2006	FY2006	FY2006	FY2006	FY2005	FY2006
46%	23%	46%	58%	25%	34%

Highlights:

Conflict between Warana Sokoro (Bamanan) and Warana Dialloso (Peul) villages in Sikasso forced Warana Sokoro children to walk 14 kilometers beyond Warana Dialloso to the next school, causing children to drop out early on. The Zaniéna mayor successfully mediated the conflict with PGP support and counsel, and now children share a school close to home. Now, all schools are to be run by management committees, taking over that responsibility from existing parent associations. Easing the transition and involving parents will require facilitation and conflict resolution skills like those demonstrated in Warana. Yet in neighboring Niéna commune, education officials elected to set up the management committees unilaterally and hurriedly. Fortunately for the kids, officials recognized they had made a mistake and, in discussions with the mayor and PGP agent, restarted the process with a sound participatory approach. Niéna schools can now count on a mayor that knows how to intervene when necessary.

In Dogoni (Sikasso) education is now a communal concern. With PGP-PAQE facilitation, communal authorities took part in several problem-solving meetings with wide parental participation. The open meetings led to a commitment by parents to ensure the financial support of four new teachers and to establish regular payment of a 500 CFA (\$1) monthly tuition fee. Fifty stakeholders participated in the meetings. Greater participation by elected officials in local schooling issues draws citizens and Commune

Councils closer together. This can foster the emergence of a sustained, shared commitment to education as a locally managed public service. It translates into greater financial and personal involvement by parents as well as by the communal institution.

When 2 teachers at Adoumaha primary school in Ber threatened to walk out because the school could no longer pay their salaries, communal authorities followed PGP principles: they put the problem to the commune's growing number of partners and relations. Private operators responded quickly and classes resumed, to the benefit of 150 children in grades 3 and 4. In Ber, education concerns all.

4.2.4 Water Management

Context

Decree No. 02-315 of June 4, 2002 on transfer of competence to decentralized public entities in water management stipulates that communes are responsible for planning, infrastructure and equipment, and management oversight of potable waterworks. Official transfer is ongoing, subject to inventory and transfer decision by the Water, Energy and Mines Ministry's regional authority and the Governor. Activity reports indicate that some level of transfer has taken place in 46% of target communes.

As for partnerships in Health and Education, PGP contributes to improve local management of water in urban and rural settings through closer partnership between the commune and water users associations. As with other sectors, activities in synergy have increased since 2004 and, this year, PGP contributed to water management in 49% of communes, mostly in synergy with institutional partners.

Activities

In the majority of reported cases, PGP agents contributed to the establishment of water users associations, strengthening the institutional aspects of delegated water management. In each case communal officials were closely associated in the creation of water users associations, and respective responsibilities and prerogatives were clearly laid out. The hypothesis here is that close institutional relations will have a positive impact over time in the sustainability and normal democratic functioning of the association, leading to better management of waterworks infrastructure and equipment. The second most frequent contribution reported is guidance provided to commune officials in instituting fee collection schemes and mobilizing constituents to assemble the amount of local contribution demanded by the financial partner. Other contributions include explanation of the legal and administrative framework, and facilitating contacts between communes and external partners. PGP has also entered into partnership with the West Africa Water Initiative (WAWI) in 5 of 6 communes in Bamako District and in 2 communes in Timbuktu. PGP agents provided guidance and support to commune officials in establishing user's associations around new investment including fountains, pumps and laundry basins.

Results

Activity reports this year indicate that target communes have in fact established closer relations with water users' associations. There is greater participation by commune officials in water management and, increasingly, associations are paying a 3% legally prescribed fee to the commune. Moreover, participation by association in planning and budgeting has increased. PGP investment in the 2005 planning process has contributed to participation by water users associations in nearly all target communes. Participation of water users associations in the budgeting process rose from 11% of communes for the 2004 budget to 17% for 2005.

IR 1.7.1 % of Communes where water management CSOs/CSOs were consulted during annual budget planning		% of Communes That Consulted Water CSOs During CDP Process	% of communes in which PGP contributed to water management	% of communes where hydraulics were transferred to the commune	% of communes that have 1 or more external partner in water management
2004 budget	2005 budget	FY2006	FY2006	FY2006	FY2006
11%	17%	24%	49%	46%	58%

Highlights:

In the mid-90's the GRM instituted a general policy of community management of essential services. In the city of Djenné*, the water users' board, elected in 1999, continued to manage the service after its term had expired in 2002. Change of political leadership in 2004 ushered in a new mayor and led to a general assembly of the association. The board and its followers boycotted the assembly and refused to relinquish power. What followed – an abrupt end to the association's mandate and the appointment of a special commission, boycott of council sessions by the opposition, and a city split in two by political affiliation – threatened the gains made in public participation in water management over the previous six years. KfW (the German Development Bank) conditioned funding for the 2nd phase of Djenné's waterworks project on the resolution of the crisis. PGP facilitation enabled the Mayor and his opponents to understand that they had a common stake in resolving the crisis. A process ensued by which membership in the association was reviewed and a new board was elected by newly appointed neighborhood delegates. The city remains split politically, as the new board is made up entirely of members of the Mayor's political majority. Nonetheless, the crisis has been resolved and the new board is getting down to business.

* Djenné cercle, Mopti Region

4.2.5 Natural Resource Management

Context

Economic activity centers on natural resources as they relate to agriculture, herding, fishing, and extractive activities. Management of resources is of paramount importance to the commune. Although natural resource management has yet to be transferred by the state, communes are playing more of a role in regulating access, working with cooperatives and others, and drawing revenue from quarries, mines, mills.

Activities

PGP has contributed to this evolution by applying a Nature Wealth and Power approach in efforts to bring communes to embrace more fully the different dimensions of managing natural resources. Contributions in NRM have increased progressively between 2004 and 2006. This year PGP contributed to NRM in 45% of target communes. PGP activity in this regard has included:

- Helping communes assess their stock of natural resources by conducting an inventory of existing resources and examining commercial channels through which they are exploited
- Helping communes develop a broad vision of resource management and a strategy to address related issues
- Helping communes initiate/intensify relations with groups organized around production to improve overall management of resources and generate new revenue streams

- Insuring the communal institution is closely associated with externally-funded activities that center around agricultural production and natural resource management with the objective of establishing sustainable partnerships between the institution and local entities
- Fostering improved and intensified relations between communes and the state's Nature Conservancy Service (SCN)
- Helping communes organize conflict prevention and management (see section on Conflict)

Progress in NRM has been largely a product of work in synergy with USAID's PRODEPAM activity and other institutional partners. Seventy-two percent of PGP communes have at least one external partner NRM. In this context PGP strengthened the institutional aspects of NRM planning and organizational development of NRM CSOs through a closer association with the communal institution, the establishment of institutional linkages with CSOs, and widened and deepened participatory processes.

Results

As a result of activities by PRODEPAM and other partners, with PGP involvement, 22% of communes now have a natural resource management plan. Almost all communes (94%) have included investments in NRM in the 2005 commune development plan CDP.

NRM CSOs have increased their participation in communal life since 2004. Efforts by PGP to foster wide participation in the CDP process yielded participation by NRM CSOs in 33% of communes. Participation by NRM CSOs in the 2005 annual budget process has increased to 27% of communes, up from 16% for the 2004 budget. Figures for NRM CSOs participation in budgeting are lower than those for education CSOs (71% of communes) and health (67%). This may be attributable to the fact that NRM CSOs are not present in all communes and in all commune chief towns, while education and health CSOs systematically are.

The number of NRM agreements signed with the commune has been multiplied several fold. From 28 agreements signed last year, target communes went to 195 NRM agreements signed in this year. Analysis of this figure is telling of the important differences between communes. The 195 agreements are concentrated in 61 communes (24%). It is also noteworthy that the number of commune that have at least one signed agreement in NRM, regardless of when it was signed, doubled between 2004 (22%) and 2005 (43%). Although it is difficult to assess with precision the impact of these agreements on the sustainable resource management, the hypothesis is that increases in the number and quality of NRM agreements leads to better resource management.

While data on the number of communes that have increased their revenue specifically from natural resources is not readily available, there are multiple examples in reports of target communes accessing new revenue streams from NRM with PGP guidance and support. Despite these efforts, revenue from NRM is still under exploited. According to one survey, in Bla and Koutiala cercles, the total amount collected by 10 communes in 2005 was 317,000 FCFA (\$634 USD) or \$63 per commune on average. The potential, at least in better endowed communes is greater than that average. Saréyamou³⁷ commune expects \$5000 in revenue from grazing areas now that the area is managed as part of PGP support to that commune. In Madiama,³⁸ previously untapped revenue from mills and busses now covers half of personnel costs.

³⁷ Dire cercle, Timbuktu region

³⁸ Djenne cercle, Mopti region

Highlights:

Misseni commune officials took a golden step forward in the management of their natural resources. In partnership with state conservation agents and with PGP support, the Mayor led 35 participants in an in-depth discussion on small-scale gold mining, yielding consensual decisions on the environmentally sound exploitation of mining sites. Taxation was also addressed, leading to a negotiated agreement on revenue sharing between the commune, 3 villages on the perimeter, as well as local hunters active in the mining area. Communal revenue from mining was subsequently multiplied fifty fold.

* Kadiolo cercle, Sikasso region

Seems the crocodiles in Katioloni (Zégoua commune*) are crying real crocodile tears. The sacred area they occupy is drying up and young crocks are moving to swamplier pastures where they are easy prey to more cunning creatures. With the help of PGP, the mayor is paying attention and restoration of the area is part of the commune's NRM plans. The water hole will be dug deeper, and species will be introduced to provide the crocodiles with sufficient food. The crocodiles are highly valued by the locals for their mystical powers – and not for handbags.

* Kadiolo cercle, Sikasso region

In Kadiana, the mayor's efforts to reach out are paying off. Discussions with the nature conservancy agent have led to a partnership to develop tourism around a grotto with strong natural and cultural assets. With the technical assistance of the agent, a tourism development project was produced and the partners have submitted it to a development agency for funding.

* Kolondieba cercle, Sikasso Region

It is a fact that communes generate little revenue from natural resources. When Kapala commune*, working with PGP help, began taxing sand collected from a pit on its territory, collectors moved down to the next commune, where no tax was collected. Now, Koloningé, Zangasso, Ngoutjina are coming together to share experiences and institute one price for sand wherever one chooses to collect it. Clearly these communes are on the right trail.

* Koutiala cercle, Sikasso Region

4.3 ANALYSIS

4.3.1 Impact of phase I on Partnerships

As detailed above, the number of formal partnerships increased in all sectors in target communes. Globally, the number of communes that have signed a new partnership agreement in the previous 12 months increased by 9 points to 61% from 52% one year before. This is significantly above USAID's performance target of 41% for FY2006.³⁹ The number of communes that have addressed a development issue within a formal partnership also increased. This year, 53% of communes have done so, a 13-point increase over 2005, but still falling short of the USAID performance target of 60%.

TABLE (6): INCREASES IN PARTNERSHIPS

SO3 % of Communes with Partnerships that Increase Services	IR 1.3 % of Communes that have addressed development needs through joint action
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³⁹ It should be noted that the baseline value of 61% is the result of an incorrect interpretation of the data collection protocol in the project's first year. Agents included the implementing NGO and PGP in recording new partnerships. This was corrected in year 2, generating an artificial drop of 9 points. The same phenomenon occurred for IR1 .3. This explains the absence of any increase between 2004 and 2005.

2004 Baseline	FY2005	FY2006	USAID Target for 2006	2004 Baseline	FY2005	FY2006	USAID Target for 2006
61%	52%	61%	41%	40%	40%	53%	60%

In 1993 Mali fundamentally changed its regime, from that of a centralized state to one made up of autonomous local, sub-regional and regional governments with primary responsibility in public domains including social, economic, environmental and cultural. This policy puts decentralized public entities squarely at the center. Ultimate success of decentralization policy depends largely on partnership between decentralized public entities and the numerous entities that revolve around it.

The results described in this section demonstrate significant progress in local partnerships. Impact generated by this progress can be assessed as follows:

- **Accountability** Elected office, whether in a public institution or in a community-based organization, is a contest whereby competing groups and persons vie for privilege and prestige. As recent history clearly underlines, technical support and training alone do not bring lasting improvements in leadership nor in the rules and mechanisms by which leaders are selected, supervised and held accountable to their constituents. What does emerge clearly is that, when the relative isolation in which many organizations and leaders operate is lifted by more tightly woven partnerships, accountability increases. Examples in health, education and other sectors, presented under the Highlights sections above underline this important principle. By fostering open and clear partnerships between local organizations, PGP has contributed to improving accountability.
- **Mobilization of resources** Closer partnerships have had an impact on the mobilization of local resources for service delivery. More communes program resources for health and education than before. This impact stems not only from increased participation by CSOs in budgeting, but also from increases in formal partnership agreements. Moreover, closer partnership ties also bring previously untapped resources from operators involved in natural resource exploitation and agriculture. By paying their taxes, organizations are confirming their adherence to mutually beneficial arrangements.
- **Impact on well-being** Increases in partnerships are also indicative of greater activity and collaboration. Isolation breeds mistrust and conflict, hurdles to progress on important issues. The increases in partnerships detailed above often led to positive impacts for the well-being of constituents. The examples presented above, in the Highlights sections, illustrate what direct benefits are produced by improvements in the number and depth of local partnership. Investments by PGP to foster closer partnerships have had direct positive impact on well-being.

Obstacles

- **Political divisions and vested interests.** Forces, dynamic or inert, in defense of the status quo, should not be underestimated. Progress in partnerships run against vested interests. Moreover, political divides do not run along differences in ideology or policy so much as they serve to separate winners and losers in what is often considered a winner-take-all contest. Examples from PGP experience clearly highlight how these divisions stand in the way of instituting partnerships and make communal interventions in faltering CSOs problematic.
- **Literacy, Capacity.** Rural communities have a dramatic shortage of educated citizens. Illiteracy and low education levels mean there are relatively few capable candidates to hold leadership

positions. Community-based organizations are still very weak, and while partnership can impact positively on accountability, improvements in performance are nevertheless hampered by low capacity.

- **Partnership with state services.** This report does not focus much attention on partnerships between communes and state agents responsible for agriculture, nature conservancy, health and education. While PGP facilitation systematically includes state agents and examples of improvements in collaboration in this regard do exist, the conditions necessary for broad improvements are not reunited. The norm is for state agents to demand financial contributions in exchange for services. Considering the relatively weak financial capacity of the majority of communes, this behavior severely darkens the outlook for closer collaboration.

5. RESOURCE MOBILIZATION AND DIVERSIFICATION

5.1 CONTEXT AT PROJECT ONSET

Along with transparent and accountable financial management, resource mobilization is at the very center of the governance equation in communes. Voluntary payment of taxes is a fundamental indicator of confidence and a basic yardstick to measure overall progress. In order to improve collection, communes must either make extensive use of police, with resulting resentment from constituents and high cost, or reach out to citizens, associate them in development choices, and report to them regularly.

To make headway in fiscal management and collection, communes must work on many fronts simultaneously. They need to improve internal functions, improve overall financial management, open or widen venues through which dialogue with constituents can happen, inform, sensitize and convince, and, make credible reports to taxpayers. The resource mobilization problematic was compounded by a general mindset in which the communal institution was the property of the election winners and that the spoils belonged to them. As mentioned under Building Participation, a survey of the nearly 250 diagnostics carried out in 2004 and 2005 revealed basic common traits: little or no communication between elected officials and local citizens, little or no information or participation. In that context, considering the general condition of communes existed in 2004, PGP's proposed program amounted to a small revolution.

Tax collection in 2004 was hampered in many places by disruptions caused by the election, and sometimes by electoral promises of "no more tax collection" as well as by a disastrous agricultural season, plagued by drought and locusts. The resulting aggravation of poverty and malnutrition prompted several mayors to stay soft on the collection of the local and regional Development Tax (TDRL) that year and the following.

In the September 2006 lessons learned exercise, field staff from all 7 regions identified the following key factors in their assessment of the situation in mid-2004: Failure to produce a tax roll, unclear chain of responsibility, unknown tax base, misinterpretations of taxation policy, lack of trust by taxpayers, conflict (including designation of the chief town, boundary disputes, conflict over replacements of village heads, and conflicts in the council).

5.2 ACTIVITIES AND RESULTS

The Shared Governance Program team has held resource mobilization as a central preoccupation since the project onset. PGP approach to resource mobilization can be best described as holistic and practical. The starting point, as for all of the program's activities, was a participatory diagnostic involving commune officials and civil society, public servant and other partners and stakeholders. Resource mobilization figured highly on the Strategic Action Plans (PSP) crafted by local Governance Committees (GC),

composed of commune officials and key partners. The task of GCs is to identify, institute and follow through projected reforms based on publicly-reported and debated diagnostic results.

Revenue mobilization served as a locomotive for reform, pulling with it necessary changes in management practice and “innovations” such as reporting to the public, and opening or enlarging venues for dialogue. PGP agents helped officials to analyze their situation and to craft strategies to “make their case” to constituents and take the steps necessary for the commune to be credible in its stated objectives. This was carried out concurrently with training and support in financial management, reported in a following section on Compliance with Procedures and Good Practices.

Three factors have contributed positively to this drive, to varying degrees depending on the commune and the cercle:

- Pressure by the Interior Ministry to increase recovery levels, associated with ANICT policy conditioning annual investment credits to recovery rates and increased interest of certain development programs in recovery rates as an indicator⁴⁰
- Launch of activities at the start of a new mandate on the heels of a sanction vote by the electorate
- The commune development plan (CDP) process of 2005, generating wide participation and knowledge about commune realities and functioning, and multiple exchanges between elected officials and stakeholders

Difficulties and obstacles to increased resource mobilization vary greatly from one commune to the next. The following factors were identified by PGP partner NGOs and field staff as reasons for non performance: electoral considerations, poverty, conflict, no sanctions for non payment, embezzlement, selling of land for revenue, no incentive percentage for village heads, insufficient public participation in establishing the tax base, and absentee mayor / personnel problems.

5.2.1 Tax Collection

Baseline data collected in 73 communes in September of 2004 showed that 44% of target communes had increased the percentage of taxes recovered in 2003 when compared to 2002. That figure increased to 47% between the 2003 and 2004 budgets and to 59% between the 2004 and 2005 budgets.⁴¹

Table (7): Tax collection increases relative to revenue planned

IR 1.6% of Communes Where Tax Collection Increases Yearly			
2004 Baseline	FY2005	FY2006	USAID target for FY2006
44%	47%	59%	50%

⁴⁰ It must be noted that such policies, basing performance on the rate of collection, have had negative effects on certain communes in which expected revenue is voluntarily reduced in order to artificially increase the recovery rate

⁴¹ Source: Project Monitoring Plan data collected in September 2004, September 2005 and August 2006. Data for FY2006 comes from a Sample of 158 communes in which financial information was confirmed as coming from the 2004 and 2005 annual financial reports approved by the council. See section D on Monitoring and Evaluation.

A closer look at the figures reveals that although 59% of communes increased the proportion of taxes collected relative to what they had planned in the budget between 2004 and 2005, 65% of communes actually increased overall revenue during the same period. The total amount of taxes actually recovered in 2005 increased by 18.74% over the previous year. This means that 65% of communes together increased revenue by an average of 18.74%. Moreover, when taken globally, sample communes collected 50% of budgeted taxes on average in 2005, compared with 43% the previous year, an increase of 7 points or 16%.

The Development Tax (TDRL) is a head tax. Collection of the TDRL is indicative, among other things, of the willingness of constituents to pay. Sixty-six percent of communes increased the amount collected as part of the TDRL in 2005, increasing revenue from this stream by 7.82%.

Taxes other than the TDRL include cattle and firearms, and fees collected on markets, ports, mills, mining, quarries and hydraulic systems. Revenue from taxes, exclusive of the TDRL, increased by 28.56% in 2005. Part of that increase, roughly two thirds, reflects efforts to tap into other revenue streams. Also reflected in the increase are improvements in tax inventory.

TABLE (8): RESOURCE MOBILIZATION

	All taxes		TDRL only	
	budgeted	collected	budgeted	collected
2004	4 243 230 108	1 831 086025	2 188 621 107	866 900 654
2005	4 376 437 916	2 174 203916	2 302 643573	934 661 774
difference	133 207 808	343 117891	114 022466	67 761 120
difference as percentage of 2004 budget	+3,14%	+18,74%	+5,21%	+7,82%

Highlights:

Siribala Commune* never imagined the diagnostic it produced with the help of PGP would benefit surrounding communes as well. The diagnostic revealed significant loss of revenue and led to further inquiry. It turned out the Office du Niger should be paying its taxes not only to the commune where its offices are located but also to all communes in which it operates. PGP helped the commune to prepare the issue and bring it up to the local steering committee (CLO) at the level of Niono cercle. The CLO, in which elected and state officials meet together with development partners, provided a forum for the regional revenue service to discuss the issue with other actors. Eleven communes now share in tax revenue generated by Office du Niger activities. A similar process led the revenue service to begin applying local taxes to the Sukala sugar refinery in Siribala. Ministries have a mixed record in applying laws and regulations evenly and in managing scarce resources properly. Oversight and supervision are lacking. When local actors are able to bring matters forward to higher authority and forums, and other mechanisms create pressure, the entire system benefits.

* Niono cercle, Segou Region

It is widely known that local tax collection is far from universal in decentralized Mali, for a wide variety of reasons. In Ber,* a rural commune north of Timbuktu, however, the incoming mayor did not realize the severity of his commune's fiscal situation until the topic was addressed during the diagnostic exercise facilitated by PGP. When he learned that the communal treasury was nearly empty and that communal personnel had not received their salary for two months, he immediately took action, informing the population of the situation over the radio and initiating an immediate tax collection drive which enabled the commune to raise its available resources tenfold and to pay the salaries owed to communal personnel.

Because this took place in the context of a participatory exercise, the communal leaders who offered to help the mayor by encouraging their constituencies to pay their taxes also delivered a simple message to the new mayor—we will help you to raise this revenue, but we will also seize every opportunity in the future, especially those facilitated by PGP, to remind you that we expect you to listen to us when it comes time to decide where and how to invest this revenue.

*Timbuktu cercle and region

The mayor of Bourem-Sidi-Amar was an absentee Mayor who did not delegate to, or include, anyone in commune management. A classic case. It took PGP 4 months just to carry out a participatory diagnostic of the commune and present it to the Council and to local actors (in the Mayor’s absence). When the Mayor was finally confronted with what Councilors and people really thought about his management, he took a 360 degree turn. He worked closely with the Councilors and with village councils and persuaded them to work together to raise communal revenue in order to finance needed infrastructure. In a few weeks, Bourem-Sidi-Amar suddenly had 413,750 head of cattle, up from 120,000 previously. And a budget of 54,202,000 FCFA (\$108,404), four times what it was before.

*Dire cercle, Timbuktu region

5.2.2 Other revenue streams

Revenue mobilization capacity also applies to a whole series of taxes and fees with a base that varies significantly from one commune to the next. Communes with important cattle and produce markets, industry, or natural resources can increase their revenue significantly, as the examples below indicate. Other, less advantaged communes are unfortunately limited in what can be collected from activity within their borders.

There are 3 types of revenue streams outside of the TDRL:

- Taxes on mills, hydraulic systems, bus stations, mining, quarries, and others, collected by the commune. PGP partner communes progressed overall in the identification of previously untapped taxes and in conducting inventories to better assess tax base.
- Fees from markets, ports and other equipment. Collection of fees is in most cases mired with corruption, with the lion’s share divided between collection agents and elected officials.
- Taxes collected on behalf of the commune by state agents, business tax, and revenue from natural resources.

In 2004 communes focused their efforts on collection of the TDRL. In 2005, communes and PGP agents invested themselves in improving inventory and collection of other taxes, and improving the management of marketplaces and other infrastructure. Since 2004, 27% of communes revised market management schemes, multiplying revenue substantially. In most cases reported, revenue potential was estimated at ten or more times the amount that actually ended up in the commune’s coffers. Results are reflected in the 28% increase in revenue other than the TDRL, in the table above.

TABLE (9): OTHER REVENUE STREAMS

Other revenue streams	
budgeted	collected
2 054 609 001	964 185 371
2 073 794 343	1 239 542 142
19 185 342	275 356 771
+0,93%	+28,56%

Highlights:

Fifteen flour mills in Zaniéna* are now grinding out communal revenue after negotiations between the owners and communal officials led to a consensus on rates. Communes are notoriously bad at generating revenue and managing collection on various taxes, including agricultural production. PGP is helping insure that wealth generated locally contributes to communal development and improved service delivery. * Sikasso cercle and region

There was a day not too long ago when market fees and cattle taxes in Fatoma* were allegedly divided up among collection agents, the Mayor and Deputy Mayors, to the exclusion of the commune. Not surprisingly, the commune never presented reports on market revenue. This sorry state of affairs came to light when Councilors and other actors diagnosed the status of governance in their commune with the help of PGP. As a result, the Council decided to outsource market fee collection and the Mayor and his deputies did not dare object. In March, the market alone generated 200,000 FCFA (\$400), which gives an idea of the significant revenue stream such measures can produce for communes.

* Mopti cercle and region

When elected officials and actors diagnosed the status of governance in their commune with PGP, hunters and herders realized that the commune did not tax mills and motor vehicles. Unfair, cried the hunter and herder tax payers. In response, Council members worked closely with the local transport syndicate and other groups and inventoried over 100 mills and 22 buses. These new taxes, initiated in January, could potentially generate 700,000 FCFA (\$1,400) a year for the commune, the equivalent to 50% of its annual personnel costs.

*Djenne cercle, Mopti region

Farmers in Wacoro* pay their taxes when they are in the best possible position to do so: at pay time. Village agricultural cooperatives withhold local taxes from the amounts paid to farmers, greatly facilitating the work of the commune's collection agents. This innovation is part of an overall recovery strategy developed by the commune with PGP support. Wacoro is at 94% recovery for 2005.

* Dioila cercle, Koulikoro region

5.3 ANALYSIS

5.3.1 Impact of phase I on resource mobilization

The impact of PGP activities on local resource mobilization can be assessed along 3 dimensions:

- . **Ability of the commune to inventory its tax base correctly and accurately**, reflecting true potential and correcting for increases in population, livestock, and economic activity. In this respect, PGP target communes have made considerable gains. Improvements in accounting practice have enabled commune officials to rely on their own figures rather than, as was very often the case, on reports from Treasury. Budgeted revenue is increasingly determined by corrections to inventory rather than from previous year's numbers or guesswork.

This process is on-going, and efforts must be maintained to improve the general budgeting process still. Most changes to budgeted income between 2004 and 2005 are the product of rectifications of past errors stemming from improvements in the budgeting process in general. This observation is comforted by the fact that budgeted revenue has remained roughly the same in 2005 as it was in 2004 (+3.14%). As communes continue to strengthen their ability to manage the tax base and budget, changes in budgeted income over the coming years should be more indicative of actual progress in tapping new resources and estimating potential more accurately.

Working from the hypothesis that the real tax base of a number of communes is undervalued (inventories date back decades), we can expect that budgeted tax and fee revenue should increase.⁴² The medium-term vision is that of communes having the ability to renew tax base inventories through mobilization and buy-in from constituents and village heads. Such was the case in Bourem Sidi-Amar this year, leading to a dramatic increase in livestock inventoried and a four-fold increase in the commune budget for 2006 (see Highlights, immediately above). For the moment, Bourem Sidi-Amar is an isolated case. Few communes are in a position yet to renew inventory. The short-term focus is on the identification of new revenue streams, improving market place management, and collecting the TDRL.

Ability to mobilize TDRL and other resources . PGP target communes have as a whole improved their financial position. Sixty-five percent of communes together increased revenue by an average of 18.74%. When taken globally, sample communes collected 50% of budgeted taxes on average in 2005, compared with 43% the previous year, an increase of 7 points or 16%. This increase should be understood keeping in mind that many communes, following PGP guidance, have turned from police assistance to open process, information and dialogue to move taxpayers, as opposed to the use of police, thereby establishing and/or reinforcing constructive and democratic relations with constituents. This progress is indicative of an evolution of mindsets and outlook on decentralization and the communal institution, by elected officials and constituents, as well as improvements in financial management and functionality of internal communal mechanisms.

In assessing this progress, several factors should be taken into consideration.

First, there are dramatic variations in results on resource mobilization between regions. In Koulikoro (74%), Timbuktu (85%) and Gao Kidal (92%) 86% of communes on average have increased revenue in 2005. In Sikasso (52%), Ségou (53%) and Mopti (50%) only 52% of communes can claim the same, a 34-point difference. Understanding this variation and acting on it should enable PGP to ensure that certain regions are not left behind.⁴³

Only 50% of communes pay a “motivational percentage” to village heads on taxes collected. The policy of motivational percentage for the village head involved in collection dates back to colonial days and there is some confusion today as to its legal status. Non payment of the motivational percentage is identified by field agents as a reason for low or no progress in recovery. Motivational percentage is an issue in half of PGP target communes. Non application of the motivational percentage has many reasons including policy of commune officials, administrative complications and political considerations. In all communes, relations between commune and village heads are critical to reaching citizens.

Eighty percent of communes make use of police in recovery. While use of police is a normal aspect of recovery for recalcitrant taxpayers, the number of days of police use can indicate progress made in participatory methods as opposed to the use of more coercive approaches. While 80% of communes made use of police forces this year, 12% used them for four days or less, 18% for 5 to 10 days and 23% for more than 10 days.⁴⁴ As the relation between commune officials and taxpayers intensifies and improves, the relative proportion of communes that use police for shorter periods should increase.

⁴² Taxable base is influenced by several factors including food crises resulting from rainfall or pests, seasonal and permanent migration and political conflict (as is the case in Sikasso following the conflict in Côte d’Ivoire).

⁴³ Source: Project Monitoring Plan data collected in August 2006

As described in the following section on financial management, a majority of communes are facing difficulties in their relations with local Treasury and Interior offices. Malian public finances are managed according to the principle of “universal account” (unicité de caisse) by which there can only be one “cash box” for all public funds. Article 212 of law no. 95-034 /AN of 27 January 1995 states: “funds of decentralized public entities are public funds that must be deposited at the State Treasury”. This situation leads to the following problems, identified in a recent study: 78% of communes surveyed are more than 20 km from the nearest Treasury office; Treasury offices are under equipped; 98% of mayors have had their funding requests refused at least once, and in 74% of cases the reason cited was lack of available funds in the Treasury office.⁴⁵ PGP personnel involved in the lessons learned exercise in September 2006 identified other practices that illegally drain communal resources and discourage mayors, including alleged “voluntary contributions” to “operating costs” of Treasury and Interior officials and contributions by communes to official visits by dignitaries, for which Interior Ministry officials have responsibility. Globally, this situation has a negative impact on finances, hampers cash flow management and adherence to regulations, and discourages commune officials from improving resource mobilization.

- **Ability to diversify sources of revenue**. As presented in the table, above, revenue from sources other than the TDRL rose by 28.56% between 2004 and 2005. Considering that other taxes such as cattle and firearms are collected simultaneously and through the same process as the TDRL, part of this increase can be linked to the 7.82% increase in TDRL collection. Nevertheless, even after adjustment, the figure mirrors promising results in diversification of revenue. This increase in target communes is a direct result of PGP activity. Partner communes increased revenue from other sources in 3 ways: 1) Outreach to agricultural cooperatives and other organizations involved in local economic activity; 2) revamping schemes for marketplace and other equipment management; 3) accessing a business tax previously lost in the shuffle. Of special significance are improvements in marketplace management. Fees from markets and other equipment represent a major revenue stream for better endowed communes but are traditionally embezzled in huge proportions. This situation not only deprives communes of needed revenue but projects the image for citizens that corruption is the operating standard as well. The influence of that image on mindsets is detrimental to sound local governance. Nearly one third (27%) of PGP target communes have established new arrangements in marketplace management this year, compared with a handful of reported cases in 2005. The process includes an assessment of what the equipment should normally generate. The figure produced is generally more than ten-fold what actually was officially deposited on average.

In assessing results, the following factors should be taken into consideration:

- Collection of market and other fees is, along with contracting, the easiest way to embezzle funds. Wrongful practice can be sustained regardless of increases in the regular use of legal accounting formats and standards. Only management reports to council and the public can reveal “surprisingly low” amounts collected. As PGP communes move to revamp marketplace management, we can expect increased resistance by commune officials. For that reason, the dramatic increase in the number of communes that produce management reports and present them to council and the public – as a result of PGP activity – is very welcome. It also serves as a striking illustration of the interdependence between the many facets of communal governance.

⁴⁵ Source: Pratiques liées à l'unicité de caisse - Réseau d'Echange et de réflexion sur le développement local, 2002.

- . In mobilizing revenue from other streams, participation and partnership are paramount. In most reports, successful ventures into other revenue streams and reform in marketplace management begin with dialogue and involvement of taxpayers in setting rates and developing collection schemes. As mentioned under Building Participation, participation is essential to resource mobilization in numerous ways, from prioritization of public investment to fiscal inventories, management oversight, marketplace management, and tax collection.
- . Dependable information on revenue collected by state services for communes, including business tax and timber tax, remains out of reach for most communes. For communes with forest cover and local industry, this situation is problematic, can lead to revenue loss, and makes accurate budgeting difficult.

TABLE (10): % OF TARGET COMMUNES INCREASING LOCAL TAX REVENUE BETWEEN 2004 AND 2005

Koulikoro	Sikasso	Ségou	Mopti	Timbuktu	Gao	Kidal	Bamako District*
74,29%	52,17%	52,50%	50,00%	85,19%	83,33%	100,00%	100%

6. COMPLIANCE WITH PROCEDURES AND GOOD PRACTICE

6.1 CONTEXT AT PROJECT ONSET

PGP began its activities with a review of a procedures manual originally produced and disseminated in November 2001, with USAID funding and MATCL approval. Across the country, elected officials, communal personnel, treasury agents and state administrators received training in the management procedures outlined in the manual. Three thousand six hundred copies of the manual were distributed in all communes, cercles and regions of Mali. In its first annual report, MSI reported:

“This field survey (which was jointly conducted with the GTZ-funded PACT program and a detailed report of which was submitted to USAID) revealed that the manual is used hardly at all. In some communes, the application of procedures is downright anarchic and in others some of the procedures are regularly practiced while others are ignored completely. Out of 18 communes (and more than 100 commune officials and personnel) surveyed, including six urban communes with numerous administrative and financial personnel, none of them use the current manual on a regular basis. In several cases, although commune officials were eventually able to put their hands on the manual, they admitted never having used it.”⁴⁶

The survey reflected a difficult situation in the field. The ground floor of any sustained improvement in local resource mobilization – transparency and accountability – is comprised of basic record keeping and regulations respected at least most of the time. Record keeping and use of standard legal formats was very problematic despite significant investment in training and reference materials.

6.2 ACTIVITIES AND RESULTS

Activities

⁴⁶ Source: Annual Report Year One, page 13

* Figure for Bamako District is based on only one commune for which acceptable financial data was available.

Source: Project Monitoring Plan data collected in September 2005 and August 2006.

PGP approach to commune financial management is five-pronged: 1) linking financial management to resource mobilization; 2) learning by doing; 3) mentoring; 4) institutionalization; and 5) facilitation and relationship building.

- **Linking financial management to resource mobilization** Financial management is not an end in and of itself. It is a means by which communes can expect to improve tax recovery through buy-in from citizens more secure about the way their tax monies are attributed and managed once the mayor actually begins to report back. Management reports in turn require improvements in basic accounting procedure. The holistic nature of PGP, working on financial management as part of an integrated whole decided upon jointly by communal officials and actors is the principal reason for its success.
- **Learning by doing** The financial unit at PGP has used a hand-on practical approach from the beginning, with practical exercises on actual accounting forms and, often, using an actual commune as model. This approach has won the praise of several governance partners that have adopted PGP approach to systematize the method and extend it beyond PGP target communes.
- **Mentoring** The major thrust was carried forward by PGP agents in the field. By their sustained presence and availability, field agents helped the commune in day to day application. This essential presence enables obstacles, in application of new skills-- including resistance by some and hesitation by others, to be overcome through facilitation and mentoring.
- **Institutionalization** PGP approach is institutional. It is anchored in the Treasury and Interior Ministries and the initiative of individual prefects to improve administrative supervision and financial management in decentralized public entities. PGP and partners intervene within the framework of Mali's national administrative supervision and financial management systems.
- **Facilitation and relationship building** PGP systematically facilitates the bridging of gaps between people and between institutions, fostering open exchanges and problem solving by the people concerned. This has led to the resolution of countless misunderstandings and low-level conflicts within communes and between communes one hand, and Treasury and Interior officials on the other.

Activities carried out in the implementation of PGP approach included extensive training of 100 field agents at the national level at the onset of the program; 19 individual on-demand training at the commune level; 94 communes trained by Treasury agents with PGP technical support and backstopping; and direct technical support to 53 communes in introducing proper accounting formats. A total of 474 commune officials received formal training activities involving 28 Interior and 32 Treasury officials.

Partnership between PGP, the DNCT and DNTCP and governance programs⁴⁷ led to a permanent national exchange forum on financial management issues and a national mentoring plan for local Interior and Treasury officials. Three regional workshops were organized as part of this plan, in Koulikoro and Ségou regions, and Bamako District. Through this partnership, PGP extended its reach to 66 non-target communes with no additional cost.

Results

Results of PGP activity on financial management are positive, and have contributed to strengthening participation and accountability. PGP baseline (2004) for communes making regular reports to government and the public and having separate authorization and accounting functions was 14%. The figure rose to 20% in 2005 and to 31% this year.⁴⁸

⁴⁷ Governance programs that provided resources to extend the reach of financial management training include: GTZ, World Vision, Lux Development, SNV and Centre Dioliba

⁴⁸ Source: Project Monitoring Plan data collected in September 2004, September 2005 and August 2006

After roughly 27 months of PGP activity in 73 communes and 18 months in another 177 communes,⁴⁹ 83% of communes overall have produced an annual management report for the 2005 budget and have presented it to the council. In 36% of communes, the report was also presented publicly, a marked difference from project onset, at which time the majority of communes filed their management report one full year after it was due, eliminating the possibility of timely questioning and oversight by council members. Partner communes have also improved their general reporting to council. Data compiled from activity reports in March identified 68 out of 173 communes reporting (39%) where the Mayor makes regular reports to the council.

TABLE (11): LEGAL PROCEDURES AND REPORTS

IR 1.2 % of communes that follow legal procedures in executing annual budget*				% of communes that produced and presented a annual management report** to council for 2005 between January and September 2006	% of communes that made a public presentation of the 2005 annual management report between January and September 2006	% of communes in which the mayor makes regular management reports to council during the year
2004 Baseline	FY2005	FY2006	USAID target for FY2006	FY2006	FY2006	FY2006
14%	20%	31%	25%	86%	36%	39%

The timely production of the annual management report was made possible by an increase in the use of standard accounting formats and procedure as a result of training and mentoring activities. Data compiled from activity reports indicates that 73% of target communes made use of all prescribed formats in the first half of FY2006.⁵⁰ This figure should be appreciated as the percentage of communes that make use of official formats. The regularity of this use, and respect of regulations vary from one commune to the next.

Management reports also depend on improvements to basic communal functions, such as regular meetings and council sessions, public participation in council sessions, and constructive relations between the council and the mayor's office. PGP field agents have worked closely with all parties to foster better understanding of decentralization law, principle and practice; promote dialogue between elected officials and between elected officials and commune staff, and between Commune, Treasury and Interior representatives; and resolve conflict. In most cases the input was welcome, as mayors and council members generally consider themselves "ill-equipped" to embrace all the elements of communal management.

Activity reports indicate regular meetings of the mayor's staff in 66% of communes, an improvement over the situation at project onset. Council sessions are also more regular, and there are more council commissions active than at project onset. Most communes have at least one active commission, usually

* "Follow Legal Procedures" is defined as: making regular reports to government and the public and having separate authorization and accounting functions

** Compte administratif

⁴⁹ PGP reached full implementation in 250 communes in 2 steps, testing approach and methodology in 73 communes beginning in May 2004, and expanding to include the remaining 177 communes in April of 2005

⁵⁰ All figures presented in this paragraph and the one above are from data collected in activity reports

the Finance Commission, in charge of supporting efforts to mobilize local resources. Thirty-four percent of communes report having a health commission; 58% report having an active education commission. Council commissions play an important role in efforts to increase partnerships and reach out to constituents. Commission members liaise with ASACOs, schools, government officials, and report directly to council. They are instrumental in educating the council on a variety of current issues of concern, and thus broaden the decision making process beyond the mayor's office and contribute to establishing linkages between the institution, constituents and partners.

A little under half of communes are late in paying wages to salaried employees (41%). One quarter of communes are one to three months in arrears while 16% have accumulated arrears of between four and 10 months or more.⁵¹ This situation is indicative of the still precarious state of communal finances, especially in less endowed communes. It is also indicative of continued weakness in resource mobilization and/or financial management in certain target communes that find themselves in crisis while local resources abound.

TABLE (12): INSTITUTIONAL FUNCTIONS OF THE COMMUNE

% of communes that use all legal accounting formats	% of communes in which there are regular staff meetings	% of communes in which personnel salaries are in arrears			
		1 to 3 months	4 to 6 months	7 to 9 months	10 months and more
FY2006	FY2006				
73%	66%	25%	10%	4%	2%

Highlights:

Newly elected officials in Minidian* found a deep gorge had evolved between themselves and state officials when they tried to register a contract and the communal budget with the Prefect. The obstacle was the product of a series of misunderstandings and a near total absence of communication. To the local officials it seemed nearly impossible to bridge. PGP proposed to commune officials that they begin doing their homework by becoming familiar with applicable laws and regulations. A common base of knowledge and discussions between the parties subsequently generated shared understanding and goodwill that quickly bridged the gap. The normal budget process and construction of infrastructure have since moved forward. This example illustrates both the severe impact of a lack of facilitation and communication at the onset of the decentralization process as well as the substantial gains possible by use of basic facilitation and communication between actors.

* Kangaba cercle, Koulikoro Region

6.3 ANALYSIS

Impact of phase I on commune financial management

Efforts deployed to reinforce financial management, as part of PGP integrated approach, have initiated an important evolution in the majority of target communes. The impact of these efforts needs to be considered as part of a greater whole. As argued in this report, improved financial management is a "ground floor" for improvements in local governance. As such, the impact of activities includes:

⁵¹ All figures presented in this paragraph are from data collected in activity reports

- **Greater confidence and commitment** by the Mayor and his staff. When commune officials improve their degree of control over financial management, they make relative gains in autonomy vis-à-vis Treasury and feel greater satisfaction. This contributes to building commitment to their respective responsibilities and to each other.
- **Oversight.** Financial management has enabled councils and other actors to become involved, often for the first time, in oversight of the commune's management by the Mayor. In several examples, the timely production of annual management reports has led to real exercises in oversight. According to field agents the annual management report is questioned or rejected in 10 to 15% of communes. There are examples of mayors admitting wrongdoing, debates over relative tax burdens of different groups of taxpayers, marketplace management reform decisions. These examples of local democracy are built, and depend on, good basic accounting.
- **Improved management decisions.** It is yet unclear to what extent strengthened financial management has impacted on the quality of commune management in general. Roughly 40% of communes still have arrears in staff salaries and, as noted in the lessons-learned exercise, below, personnel issues are a major stumbling block to improvements in local governance under PGP.

7. CONFLICT PREVENTION AND MANAGEMENT

7.1 CONTEXT AT PROJECT ONSET

There are globally 4 types of conflicts at the commune level: 1) conflicts over land and resource use; 2) conflicts over boundaries, administrative (location of chief towns, new schools or health centers); 3) conflicts of authority between communal and traditional authorities, between the commune and state representatives and between families or individuals over the position of village head or within CSOs; 4) political and personal conflict internal to the commune.

When field agents were first deployed in 73 pilot communes, in May and June 2004, they were confronted with the following situation:

- **Traditional conflict resolution mechanisms** Article 68 of law 9 8-066 on the Decentralized public entities Code recognizes traditional conflict resolution and invests village heads with powers of "reconciliation" founded on traditional practice. Traditional mechanisms existed in 64% of communes at the project onset. They are used to resolve conflicts at the village level, are more or less active and effective, with important variations between one village and another. These mechanisms were usually not linked with the commune. Conflicts that could not be resolved through these mechanisms were submitted to the judicial system, generally with no commune involvement.
- **Multiple conflicts of varying types.** The advent of decentralization, ushering in a new institution and the disruption of administrative distinctions and power equilibriums associated with it; along with increased pressure on dwindling natural resources and space, generate multiple conflicts of varying intensity and scope. Conflicts impact negatively on the commune, in several ways: projects often suspend or cancel their activities when major conflict erupts, violent conflict creates deep scars in relations between opposing groups,
- **Absence of dialogue.** As revealed in the participatory self-diagnostics conducted in nearly all partner communes, there was a dramatic deficit in dialogue and communication at the local level. The diagnostic, often a first-time opportunity for actors to exchange openly on the commune, uncovered multiple simmering conflicts, misunderstandings and displays of distrust.
- **Politicization of public life.** Party politics are a dominant factor of communal life. Few elected officials are independent; a majority of seats are won by well-established national parties. All communes are subject to divisions and challenges posed by the presence of competing groups

affiliated with opposing parties vying for dominance of the communal institution. In some communes, politicization is of little consequence, in others it is a major source of conflict, undermining traditional and modern authority and hampering efforts at reform.

7.2 ACTIVITIES AND RESULTS

Activities

There exists a spectrum of activities carried out by field agents in dealing with local conflict. The overall objective of these activities is dilute conflict-related obstacles to greater social cohesion and institutional credibility and legitimacy. This was carried out in the following ways:

- **Facilitation and dialogue.** Field agents played an essential facilitation role, re-connecting actors, re-establishing broken links and channels and fortifying relations. As facilitators, agents put people who seldom talked or had a conflictual relationship together in one room to re-establish dialogue.
- **Promotion of participatory approaches.** Conflict often originates from a lack of information and consultation. By helping commune officials to consult with citizens, and associate them in the identification of negotiated solutions, PGP field agents contribute to reducing conflict.
- **Conflict resolution.** Although agents themselves do not play the role of mediator in any conflict, they regularly facilitate resolution of open conflicts by guiding commune officials through a participatory approach in which a competent analysis is made and local resources are identified that have the necessary position to act as mediator. This approach enables commune officials to learn by doing, and to rely on local resources to resolve conflicts.
- **Introduction of conflict alleviation mechanisms at the commune level .** PGP agents assist communes in the establishment of formal, participatory mechanisms for conflict prevention and resolution. Participatory mechanisms are formally laid out processes and principles by which a committee at the commune level intervenes in the case of conflict. Committees also identify interventions that alleviate chance of conflict, mostly in regulating access to natural resources and delimitating public land use.
- **Strengthening of traditional mechanisms.** Traditional mechanisms differ in the willingness and capacity of traditional authorities to act. Political divisions and other social factors have weakened the influence of traditional authorities with time. There is a need to rekindle traditional mechanisms, confirm their importance and link them closely with the communal institution. PGP agents have invested themselves in this task with communal authorities within the limits of PGP resources. Activities at the village level are limited by the number of villages and their distance from the chief town. Interventions at that level were generally associated with resolution of actual conflict.

Results

Existence of conflict prevention and management mechanisms

As a result of PGP activity, the number of communes in which a conflict alleviation mechanism exists is steadily growing. From 64% of communes having a mechanism in 2004, the figure reached 76% in 2005 and 86% this year. These figures include traditional village-level mechanisms and mechanisms at the commune level, formal and informal. Part of the increase stems from commune-level mechanisms instituted with PGP support. In 2005, field agents helped establish mechanisms in 60 communes (24%); 70 (28%) in 2006.

Sixty communes (out of a sample of 100) now have a conflict management mechanism (60%). Out of 173 target communes surveyed, more than 25 (14%) made use of their mechanism this year. When the total

number of conflicts is considered, relatively few mechanisms are used. This is attributable to the fact that a good part of mechanisms are still recent; a number of conflicts were managed before the committee was operational. Moreover, in many communes conflict management committee members are still hesitant vis-à-vis direct involvement in conflicts. Committees require supplemental mentoring and training before they can tackle conflicts on their own.

Thirty-three communes out of 191 surveyed (17%) report having been involved in activities to prevent future conflict. This may be attributable to the fact that communes must first develop capacity and arrangements to deal with existing conflict before they can invest fully in prevention. Moreover, open conflict has a way of pushing one to take action, more so than planning for potential problems. The value of 33 is thus expected to increase with time, but it will likely stay behind the value for conflict management.

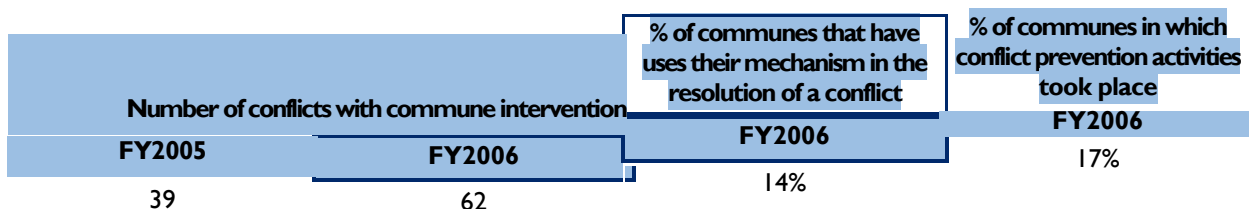
TABLE (13): CONFLICT MANAGEMENT MECHANISMS

IR 1.5% of Communes with Participatory CM Mechanisms ⁵²				% of communes with commune-level mechanism
2004 Baseline	FY2005	FY2006	USAID Target for FY2006	FY2006
64%	76%	86%	55%	44%

Practical conflict management experience

In FY2005 field agents provided guidance to commune officials involved in a total of 39 conflicts. Out of the 39, 13 related to natural resource management, 6 were internal to the communal institution, 4 involved relations with state officials, 7 involved boundary, chief town and infrastructure location issues. In FY2006, a total of 62 conflicts were managed with PGP guidance. In total, just over 100 conflicts were addressed during the first phase of the program.

TABLE (14): PRACTICAL CONFLICT MANAGEMENT ACTIVITIES



⁵² Village or commune-level, formal or informal

Highlights:

In 2003 the villagers of Dotlembougou started taking their cattle to drink at a seasonal pond near the neighboring village of Ouégnan, which was used by cattle from that village and two others. But in 2004, the passageway negotiated between Dotlembougou and Ouégnan was converted to farmland. Thirsty Dotlembougou cattle subsequently trampled over the land in search of water and heated conflict erupted. Reconciliation failed until the commune of Sirakorola established a conflict prevention and resolution mechanism with PGP. In the last quarter of 2005, the commune's conflict prevention committee successfully guided the parties to a peaceful solution, to the benefit of all stakeholders (and cattle).
*Sirakorola commune, Koulikoro cercle and region

Some Mayors seem to act as though commune management was a private affair. This was the case in Dougabougou*, where the Mayor's unilateral management of a \$6,800 sanitation grant created an open conflict between the Mayor and the Council. This time, with PGP's facilitation, it was the village chiefs who piloted the reconciliation. The Mayor recognized he had been wrong. In response, the Council members vowed to stop the acts of sabotage directed against him. Both parties are now working openly to resolve the situation and enable the commune to access national public investment funds frozen as a result of the conflict.

*Segou circle and region

7.3 ANALYSIS**Impact of Phase I on conflict prevention and management**

There is a net increase in commune involvement in conflict prevention and management in PGP target communes. This increase has had the following impact, as identified by PGP staff in the lessons-learned exercise of October 2006:

- There is an increase in local management of conflict and a corresponding reduction in the number of cases brought before the justice system in communes in which commune officials have invested themselves in conflict management
- There is an increase in collaboration between the mayor and village councils
- There are several examples of improvements in the well-being of constituents as a direct result of conflict resolution (access to public services or natural resources, re-starting of suspended development projects)
- Commune officials are more sensitive to their responsibilities in conflict prevention and management, and many now have first-hand experience in the resolution of actual conflicts in their commune
- There are a growing number of examples of prevention, which means that communes are becoming more active in regulation and organization of access to and management of natural resources
- In most communes the climate of relations has improved with the increase of communications and dialogue. There is an increase in dialogue and negotiated outcomes

In the majority of communes, factors such as political divisions at the village level and communal levels, a natural hesitation of many officials to become involved in open conflicts, the complexity of certain conflictual situations, and yet very limited experience of conflict committees contribute to limit progress in conflict management. More time will be needed to establish conflict alleviation durably and systematically as a basic function of the communal institution. Nonetheless, the stakes are high. Conflict – including internal conflict in CSOs responsible for service delivery and infrastructure management – is a major obstacle to vibrant local governance. Capacity of the commune to intervene as mediator and

facilitator is one of the key aspects of decentralized public entities. PGP investments in conflict resolution constitute a learning laboratory in this regard.

OBJECTIVE 2: MACRO POLITICAL ENVIRONMENT STRENGTHENED

2.1. ACTIVITIES AND ACHIEVEMENTS

In the third year of the base period, PGP continued its efforts to strengthen the macro-political environment to improve decentralization and local governance. These efforts focused on searching for ways to continue transfers of responsibilities and resources from the central to the decentralized level and were undertaken in collaboration with three national institutions.

During the early days of PGP implementation, the staff conducted an analysis of the political environment and the lessons learned from experiences with policy dialog programs. PGP management decided to follow a two-prong strategy: 1) avoiding direct, open involvement, yet focusing on building national and civil society capacity to conduct advocacy; and 2) playing a discreet advisory role in conformity with the local culture's non-confrontational nature. To achieve the latter, PGP agents participated in all events related to decentralization, conducted their own analyses, and discretely challenged and provided guidance when appropriate to avoid alienating partners. PGP followed the first strategy during its first two years of activity. However, due to insufficient funds, PGP shifted from this strategy to the second.

These two strategies served to:

- promote local involvement in and ownership of all advocacy activities and boost the credibility of local partner organization officials.
- shake up partner organization representatives and convince HCC and AMM officials that activities can be undertaken and changes are possible with minimal donor support. Internal resources and citizen good will (*bonne volonté*) can contribute greatly to development of a knowledge base and a strategy to advocate for decentralization.
- share PGP analyses and hard data with officials to equip them with ammunition to face other actors. For instance, like PGP does in communes, the project worked hard to inject the concept of interest politics as compared with clientele politics into the national political scene.

PGP planned many activities for FY2006 based on the momentum obtained by the end of the second year of implementation. PGP continued exchanges with the *Direction Nationale des Collectivités Territoriales (DNCT)* on the status of implementation of the operational plan for the transfer of responsibilities and resources. PGP facilitated the preparation and the presentation of the strategic plan for the *Haut Conseil des Collectivités (HCC)* to other donors and it planned continued assistance to the HCC on implementation of that strategy. In collaboration with other partners, PGP and the National Assembly (AN) facilitated the creation of a *cadre de concertation* between the AN, the HCC and the *Conseil Economique Social et Culturel (CESC)* for the purposes of pushing for more quality decentralization. Here too, PGP planned to support and facilitate *cadre de concertation*. However, due to budget cuts PGP focused on participating in activities and providing informal assistance as described above. This report will focus on presenting the state of transfers of responsibilities and resources as monitored by PGP in its minimal involvement with other actors.

Collaboration with the DNCT

As the lead GRM agency in the design, implementation and monitoring of decentralization policies, the DNCT continues to be PGP's the main government partner. The DNCT enables PGP activities throughout the country and provides guidance to PGP activities aimed at supporting an improved environment to facilitate the decentralization and governance process in Mali. DNCT-PGP collaboration

took place in the following contexts: DNCT strategy design, scaling up of GTZ activities, training on USAID's financial management model, conflict resolution, and monitoring the operational plan for transfers.

Participation in DNCT strategy design: PGP was invited to and participated in the design workshop of the DNCT's new strategy for 2006 - 2009. A PGP senior staff member participated fully in the workshop proceedings and made contributions that were highly appreciated by the DNCT leadership.

Participation in weekly meetings: PGP was privileged to have been invited to and participate regularly in DNCT weekly meetings. This kept PGP regularly informed of major developments within the Ministry of Territorial Administration as they relate to the decentralization process.

Design and implementation of financial management accompaniment plan: USAID/PGP and GTZ/PACT worked together under the leadership of the DNCT to scale up the financial management training model co-developed and co-implemented by them. The three organizations together began training sessions in Segou, Koulikoro, Tombouctou, and the District of Bamako with financial support from partners GTZ, SNV in the Bamako District, PADK in Koulikoro, and PADL in Tombouctou.

Collaboration in conflict resolution: Conflicts must be handled delicately. Therefore, PGP sought and received advice and guidance from the highest levels of the DNCT in all cases where it was handling complex conflicts between communal actors and the state representatives on the one hand and between communal actors and PGP agents on the other. When the DNCT became aware of conflicts in PGP project zone, it also relied on PGP for assistance. This gave PGP and DNCT an occasion to identify and handle the macro dimensions of the conflicts.

Sharing experiences and training materials: PGP participated in most of the training sessions organized by the DNCT during the reporting period. PGP was invited to attend and substantially contributed during workshops where new procedures and documents were reviewed. PGP also participated in training sessions aimed at sharing with DNCT partners training modules that DNCT wanted to disseminate in their respective zones. PGP training staff hoped to use the modules and the training materials in PGP program zone as well, particularly the participatory evaluation and civil education models.

Monitoring implementation of the *Schema Operationnel pour le transfert des competences et des ressources*: In previous reports, PGP announced that it adopted a strategy of inserting its program component III in the national consensus and dynamic created by the negotiation and adoption of a national operational plan on the transfer of resources and responsibilities adopted by all the decentralization actors in October 2004. This plan included institutional development, transfer of the human, material and financial resources to decentralized public entities by the year 2007. PGP opted to monitor implementation of this plan until January 2007 and revise its strategy in light of the status of its implementation. PGP consulted occasionally with the DNCT on the status of implementation and officials were very open and helpful, providing all the necessary information to assess progress.

Institutional set up for enabling transfers: To speed up the transfer of responsibilities and resources to the communes, an October 2004 national workshop recommended the creation of new institutional entities, including an Interministerial Committee and decentralization cells in each the individual ministries. During the current reporting period, the Interministerial Committee has been operational and met three times. The last meeting took place on September 14, 2006 and major decisions were taken, contributing to advancing the decentralization agenda.

Planning sector decentralization: Among the many tasks assigned to ministries in the Interministerial session prior to the one mentioned above, the committee had requested that each ministry design a plan to transfer responsibilities and resources to the decentralized units. As was the case of creation of the

ministry cells, the Ministry of Health was the only department to present a plan at the September 14, 2006 session. Its plan includes drafting of new legislation or reviewing and rewriting old legislation to render them favorable to decentralization, transferring human, financial and material resources, and building capacity so actors can manage community health centers (CSCOMs) and learn more about the ten-year health development plan (PRODESS).

Drafting of new legislation: The MATCL is working with various ministry officials (environment, youth/sports, equipment/transport) to install decentralization cells within Ministries and draft legislation that will help them decentralize.

Transfer of responsibilities: The authority to transfer of responsibilities has been given to the regional governors. At the time of this report, only the Sikasso governor had completed the transfer of responsibilities in the areas of education, health and water systems. A meeting is planned in the very near future to motivate other Governors to speed up the process in their respective regions.

Material resource transfer: The Plan gave Governors the responsibility for transferring material resources to the communes. The Interministerial Committee recommended that Governors conduct an inventory of infrastructure and equipment. Progress to date includes mainly inventories of infrastructure and other equipment by the regional offices of the state representatives.

Human resources transfer: One of the main problems facing the communes is the lack of management capacity and their inability to retain staff due to job insecurity and inadequate pay systems. The creation of a civil service for the commune and other collectivities is one way to resolve that problem and is well underway. Commune agents with more than five years on the job are hired in the service. Those with less than five years of seniority will undergo a test in the very near future to retain their positions.

Financial resources transfer: The committee mandated the evaluation of resources to be transferred. Mali's government organizes the flows of financial resources to the communes and other decentralized units through existing mechanisms. Funds flow from the ANICT, the budget transfers,

Flows through the ANICT: As part of the mechanism to help consolidate decentralization, the government has organized to fund infrastructure in decentralized units through an investment agency called the *Fonds national d'Investissement des Collectivites Territoriales* (FICT) managed by the *Agence Nationale d'investissement des collectivites Territoriales* (ANICT). Funds are made available in the form of drawing rights.

Year	2001	2002	2003	2004	2005
Amount	\$10,186,964	\$36,334,562	\$25,561,968	\$21,728,181	\$19,234,886

As can be seen in the table above, the funds transfer markedly increased compared to last year. It should be noted here that the Ministry of Education was the first line ministry to decide fund education through the FICT. It has accepted to allocate part of its Education Sector Investment Program (PISE II) funds through the FICT. This means that public investment in education infrastructure will be programmed by communes, cercles and regions, instead of Ministry officials.

Flows through the national budget: The government allocates funds to assist decentralized units with major investments and operating expenses. Financial resources transfers have seen a significant change this year at the time of proposal of the finance law for the fiscal year 2007. The government has proposed a 723% increase in the flow of resources from the center to local entities. Official government documents attribute the proposal to recommendations from a study on strengthening decentralization of budget allocations. This study found the system of credit allocations dysfunctional and a marked imbalance in

favor of central units of government. This document says the expected impact is related to a balance decentralization/deconcentration/, a better local development, more productive decentralized units, and a more effective implementation of poverty reduction policies and programs.

Year	2006		2007	
Amount (billions)	1 6,439,000,000 FCFA	\$32,878,000 USD	135,343,000,000 FCFA	\$270,686,000 USD

It is important to note three important things about these increases in transfers. First, they represent a one-time major increase in the transfer of resources, which is unprecedented in Malian history. Second, the transfers are made only to decentralized entities of state agencies and local appointed administrative units. If this improves the work of these agents in fulfilling their support and control roles in the life of the communes, it will have a major impact on the quality of local governance in the communes. Third, the speed with which the transfers were made shows that transfers can be made easily if interest groups exert pressure through advocacy and lobbying, and political will exists to make the transfers.

Collaboration with the HCC

At the end of the previous reporting period, PGP had completed its assistance to the HCC study on improving HCC capacity to fulfill its constitutionally mandated role of monitoring executive branch decisions and actions, and advocating for better conditions for decentralization. The HCC, with PGP assistance, used the study to develop strategy. In early FY2006, with the help of the CEPIA consultants, PGP helped the HCC organize a partners' conference and present the newly developed strategy to HCC partners and raise funds to implement the strategy. With PGP funding reduced, the project was forced to keep a low profile in its continued assistance to the HCC. PGP continued holding occasional meetings with HCC officials to encourage more advocacy on their part to push for decisions.

During interviews, HCC officials informed the team that the strategic plan could barely see a beginning of implementation due to the lack of funding and involvement on the part of most of the partners including PGP/USAID that initiated the intervention and that they were counting on. That UNDP organization was the only partner that gave them funding for consultations with regions and the organization of training sessions and study tours for the national councilors.

Collaboration with the National Assembly

The Chairman of the National Assembly's Public Administration and Decentralization Commission was PGP's main ally and a critical partner in developing the strategy to create internal pressure through a group of MPs and a coalition with other institutions to exert pressure from outside for more quality decentralization. Under his leadership and with the help of CEPIA consultants, PGP had started building the internal and external support for the cause.

At the end of the second reporting period, PGP had just organized a study tour for key partners, including six members of parliament sitting on the Decentralization Commission, to look at Senegal's decentralization process. These MPs were committed to the transfer of resources and responsibilities in the context of the *cadre de concertation* created by the three national institutions.

Political developments in the country spilled over into the election of the National Assembly leaders. Because of these changes, the leadership changed at the level of the Public Administration Commission. The new leadership did not show much interest in what his predecessor had designed and put in place. This situation combined with PGP's minimal resources caused a standstill in the project's overall

strategy to empower national institutions in push the component III agenda (to strengthen the macro-political environment).

Collaboration with the “Association des Municipalites du Mali” (AMM):

The Association of Malian Municipalities (*Association des Municipalites du Mali -- AMM*) is an association created by communes to advocate for their interests. PGP targeted this CSO to receive advocacy training during the base period of the project. Like the HCC, the AMM too received no funding from partners for advocacy activities. PGP continued however to monitor and participate in AMM activities. In the absence of donor support, AMM officials realized that they needed to form alliances with HCC and ACCRM and count on internal resources to build their capacities to lobby and advocate for the interests of the member communes. It created working commissions and is in the process of identifying internal resources that will help the organization develop analytical capacities on its own and challenge the executive branch agencies in various areas of interest to the communes and the elected officials.

The functioning of the *Cadre de Concertation*

One PGP strategy consisted of promoting the capacity of national institutions to effect change in the area of decentralization. To that effect, in collaboration with other partners, PGP facilitated the installation of a *cadre de concertation* between the three institutions – National Assembly (AN), High Council of Decentralized Entities (HCC), Economic and social council (CES) – that serve as watchdogs over and push for meaningful reforms to support decentralization. This forum was unable to function again due the shake-up at the level of the national. The *Cadre* could not function because the National Assembly was unable to appoint its representatives at the *Cadre*.

2.2. QUANTITATIVE RESULTS

Shortly after the end of the 2006 fiscal year, a PGP team collected data on national level advocacy activities by interviewing representatives of national institutions involved in the transfer of responsibilities and resources to communes (HCC, DNCT, AMM, CDI, ACCRM). As was the case last year, all institutions conducted advocacy in an ad hoc manner without relying on any clear strategy, despite the fact that some leaders understood that they could strategize without having a fully-designed strategy. In the absence of full strategies, the institution officials continued their ad hoc approach and lobbied for issues they believed important. The results are presented in the table below. It is clear that the number of advocacy activities significantly increased in comparison to the project’s baseline and target last year, and remained roughly the same this year. Activities this year pursued the same tactical objectives as last year.

Indicator Number	Indicator	USAID baseline	FY06 Target	FY06 Results
IR 2.1	Number of national level activities on the transfer of responsibilities	19	35	34
IR 2.2	Number of national level advocacy activities on the transfer of state revenues to communes	19	35	34

2.3. ANALYSIS

The continued efforts of the national authorities fighting for an improved environment for decentralization and local governance along with their partners are paying off. The able and committed DNCT staff acting as a lone ranger in the sea of the executive branch is quietly but strongly pushing for change. The non-confrontational approach to advocacy used by the HCC and other institutions is having an impact on the attitudes and behaviors of many appointed officials at national, regional and local levels. HCC has continued its regional gatherings to collect information about problems and publicize them on national TV in order to pressure the government. AMM has written a memorandum on the transfers and handed it to the President during National Commune Day. AMM has also made individual contacts with ministers to push for change. Some elected officials are invoking the rights of the elected bodies to assume their responsibilities and defend their territory. The technical and financial partners are pressuring government to bring about reforms. These combined efforts have resulted in significant achievements in the area of strengthening the macro-political environment supportive of decentralization during this reporting period. The following are important results and achievements contributing to the advent of a hospitable environment for decentralization and local governance:

- Some major partners are becoming aware of the need for and seriously considering developing on their own advocacy strategies that will rely heavily on their own resources. This is an important and very encouraging step in their taking charge of advocacy for change.
- The Interministerial committee chaired by the Minister of Territorial Administration (MATCL), which plays an important role in helping implement the recommendations of the national conference of the transfer of responsibilities and resources, has installed and is providing leadership in the promotion of decentralization approaches for ministries like education, health, energy, youth/sport, and infrastructure and equipment. It has already achieved planning on the part of the Ministry of Health.
- Technical and financial partners have allocated budget support and developed performance indicators that tie donor budget support to the transfers of resources.
- Significant transfers of resources are planned to the decentralized representations of the state representatives and the representative offices of the technical ministries like education, health services and water and hydraulic systems and other agencies in the FY 2007 financial law submitted for National Assembly examination and approval
- The authority to manage school funds has been fully transferred to the municipalities in certain areas like education and significant resources were transferred to the ANICT as a result of the lobbying from the HCC and the AMM.
- The law on the status of the local elected leaders was passed by the National Assembly, creating an environment that encourages public involvement in local public service and giving less reason to local elected officials to get involved in corrupt practices.
- The Council of Ministers lifted the suspension imposed on the sales of lands by the communes to raise funds to be used for public service delivery. This opens a significant revenue base for the communes and a brighter outlook for the viability of communes in the future if they manage these newly found resources.
- A major victory was scored by the local elected officials with the opposition of the Segou Assembly President to the organization of the regional development workshop by the Tutelle. This creates a healthy precedent that if imitated by others could become a major weapon in favor of change.
- Very important laws are in the making thanks to the leadership exercised by the Ministry of Territorial Administration in its oversight of the transfer of responsibilities and resources.
- Many clear and concrete areas for advocacy have been discovered and documented by PGP and partner NGO agents in the area of interactions between actors in decentralization in general and

in the area of communal financial management improvement. These will serve as legitimate grounds for PGP to push for improvement in the handling of those issues.

As can be seen with respect to the achievements mentioned above, there is a dynamic now created due to the existence and the activities of the different stakeholders in decentralization. The actions taken by the HCC, the AMM, the interministerial committee, the existence of the *Programme de developpement Institutionnel (PDI)* and the institution of the *Programme d'appui a la Reforme Administrative et à la Decentralisation (PARAD)* yield and will continue to yield significant results in improving the macro-political environment. These results however appear to benefit appointed officials that represent national agencies at the expense of local elected officials and their grassroots institutions. Vigilance is required to ensure that this state of affairs does not continue and that the elected entities also benefit from the interventions of the PARAD.

C. PUBLIC-PRIVATE ALLIANCES (PPA)/COST SHARE

The United States Agency for International development (USAID) and the Coca Cola Company entered into an alliance that put together \$600,000.00 to fund the Community water Partnership Project (CPP) all over the country. PGP was a member of the USAID GDA planning committee and was thus involved in startup activities and the planning of the allocation of those funds as part of the team headed by the West Africa Water Initiative (WAWI) implemented by Associates in Rural Development (ARD).

PGP partner communes were beneficiaries of these funds. PGP staff and partners at the levels of Bamako and Timbuktu spent a considerable amount of time collaborating with the staff of the West Africa Water Initiative (WAWI) and the officials of the communes of these localities and worked on the installation of community water systems. PGP provided facilitation in the following areas:

- Identification of projects: PGP worked with commune officials to identify their water needs. This assistance consisted of reviewing commune development plans and choosing priority items or helping them go through the process of revising their plans and inserting the system they have opted for in the CDP.
- Proposal writing: PGP was also involved in helping the partners develop proposals for the GTIF in accordance with the proposal format required by the WAWI organization.
- Selection of implementing agencies: PGP helped WAWI and the partner commune officials identify qualified implementing agencies that have a credible track record in the domain.
- Drafting of protocols: PGP helped the communes and the implementing agencies draft partnership protocols that ensured that the former kept ownership and control over the projects that were executed for them by implementing agencies selected by the GTIF and the latter was held accountable.
- Contract interpretation: The contracts were written by GTIF following legal American contracting language. Most implementers were not familiar with his language. PGP staff also worked with implanting agencies and helped them understand the substance of their contracts.
- Implementation support; PGP staff worked with the implementing agency and provided support with their relationships with the commune officials and the WAWI staff.
- Social mobilization: The staff assisted the communes in organizing to receive the project and mobilize participation and contributions to the project and enable them to manage the infrastructure after the project ends.

- Monitoring: PGP staff also participated in conducting field visits and attended meetings organized with all actors for monitoring purposes.

PGP program implementation received a major boost with the availability of those funds for water for many reasons. The first one is that the project responded to the real felt needs of communities all over the project zone. The second was it gave PGP space for building the capacities of partners in the development and implementation of projects with tangible results in a very short period of time in a transparent manner while accountable manner. The interactions with the WAWI technicians also strengthened the capacities of PGP central and field staff in the management of water systems projects. Thirdly, it gave PGP tangible and concrete elements that helped PGP. It is common knowledge that governance activities are considered very abstract by common people who only related to projects producing concrete and tangible results such as schools, health centers, food and water and money making, and job creation. This GDA gave PGP those concrete elements, helped PGP become highly visible and able to keep commune partners interested participating and contributing to the building of good shared governance practices.

D. MONITORING AND EVALUATION (M&E)

In accordance with the Project Monitoring Plan (PMP) approved by USAID in 2004, field agents and supervisors surveyed all 250 communes to measure progress between 2005 and 2006. The survey period was moved up by 2 weeks this year, in order to avoid collecting data too close to the contract closing date for NGO that will not continue with PGP in the 2 option years. Data collection was conducted between August 21 and September 1st. The two-week difference will not affect data quality. The quarter July to September is a period of intense agricultural activity and, inversely, a period of reduced activity at the communal institution. A difference of 2 weeks during that period is considered to have minimal or null impact on results.

NGO contracts with MSI, CARE International and Save the Children closed on September 14, 2 weeks after the end of the data collection period. The layoff of field agents relatively close to the collection period for 5 NGOs covering zones that were not included in the FY2007 plan adopted by USAID was a concern. It was addressed through intensified supervision of the process to insure that data would be complete, and increased attention to data quality by field and central staff. Coherence analyses were multiplied to assess data quality. Overall, it was found that the quality of data was consistent with that of data collected in 2005. Data is complete save for one commune for which decision was made to disregard due to multiple inconsistencies.

Indicator IR 1.6 – % of communes where tax collection rates increase yearly – is one of the key indicators of performance. It is based on information collected from commune finance officers. As PGP activities in support of financial management progressed, so has the quality of information. Now, a majority of commune produce timely annual financial reports. The opposite was true in 2004 and 2005.

A comparison of 2004 financial data collected in 2005 (from sources other than official annual financial reports – the later generally did not exist) and the same data collected in 2006 (from official financial reports) showed major inconsistencies in a substantial number of cases. The data collected in 2006 is considered to be more reliable than that of 2005. For this reason, MSI will make a proposal to USAID to consider only data from official annual financial reports (*compte administratif*). The figure of 59% presented in the table, below, is based on information from 158 communes in which the *compte*

administratif was available. Moreover, data collected in 2006 replaces data collected in 2005. MSI considers that this improves data quality.

This year USAID and MSI together discussed difficulties in indicator 3.2 – % of communes where women are represented on the management bodies of basic social services. The figure of 5% reported for FY2005 represents the number of communes in which there are at least 2 women on the boards of *all* CSOs. The definition poses practicability and relevance issues. First, the number and geographical location of CSOs and their relation with the communal institution makes it difficult to survey *all* CSOs. This impacts negatively on data quality. Second, most CSOs do not renew their boards every year – annual progression figures can be misleading. Third, as long as not all boards are renewed at the same time, progress in women’s representation on boards cannot be reflected since there will always be one board that was not renewed and a single board can eliminate results for a commune. Fourth, CSOs are organizationally weak. This indicator carries with it the assumption that CSOs renew their boards at regular intervals, which is not the case for many CSOs. Given these considerations, MSI will propose to USAID that a new indicator be identified in consultations between USAID and PGP’s newly created Component IV: Gender and Governance.

TABLE (15): PERFORMANCE MONITORING PLAN RESULTS TABLE FOR FY2006

Indicator No.	Indicator	PGP Baseline	Overall Results	USAID target	Overall Results	Results in Year 1 Communes	Results in Year 2 Communes
			FY05	FY06	FY06		
SO3	% of Communes with Partnerships that Increase Services	61%	52%	41%	61%	67%	59%
	SO3 Education		25%		35%	38%	33%
	SO3 Health		21%		28%	29%	28%
	SO3 Water		19%		22%	27%	20%
	SO3 NRM		16%		17%	22%	15%
	SO3 Economy		24%		33%	40%	30%
SO4	NRM in Commune Development Plan	none	74%	none	94 %	93%	94%
R 1.1	% of Communes where annual budgets reflect CDP priorities	56%	66%	68%	66 %	64 %	66%
R 1.1.1	% of communes in which communities participate in communal development planning	53%	77%	none	94%	96%	93%
R 1.1.2	% of communes in which communities participate in preparation of the communal budget	27%	20%	none	42%	44%	41%
R 1.2	% of Communes that Follow Legal Procedures in Executing Annual Budget	14%	20%	25%	31%	29%	32%
R 1.3	% of Communes that have addressed development needs through joint action	40%	40%	60%	53%	59%	50%
	IR 1.3 Education		18%		27%	29%	26%
	IR 1.3 Health		10%		22%	21%	22%

Indicator No.	Indicator	PGP Baseline	Overall Results	USAID target	Overall Results	Results in Year 1 Communes	Results in Year 2 Communes
			FY05	FY06	FY06		
	IR 1.3 Water		15%		20%	27%	16%
	IR 1.3 NRM		9%		16%	18%	15%
	IR 1.3 Economy		11%		28%	27%	28%
IR 1.4	% Communes Leveraged Resources From Private Sector For Public Goods/Services	7%	1%	8%	2%	4, %	2%
R 5	% of Communes with Participatory CM Mechanisms	64%	76%	55%	86 %	82%	88%
R 16	% of Communes Where Tax Collection Increases Yearly	44%	47%	50%	59%	56%	60%
R 17	% of Communes That Consulted CSOs During CDP Process	none	86%	none	97%	99%	96%
	IR 1.7 Education		67%		80%	82%	79%
	IR 1.7 Health		64%		75%	78%	73%
	IR 1.7 Water		20%		24%	29%	22%
	IR 1.7 NRM		27%		33 %	30%	35%
	IR 1.7 Economy		57%		67%	67%	67%
	IR 1.7.1: % of Communes where CSOs/CBOs consulted during annual budget planning	none	64%	none	89%	90%	88%
	IR 1.7.1 Education		44%		71%	70%	72%
	IR 1.7.1 Health		42%		67%	62%	69%
	IR 1.7.1 Water		11%		17%	23%	14 %
	IR 1.7.1 NRM		16%		27%	26%	28%
	IR 1.7.1 Economy		35%		59%	66%	56%
R 18	Number of Written NRM Agreements in Target Communes	none	28	none	195	38	157
IR 2.1	Number of national level advocacy activities on transfer of responsibilities to communes	N/A	36	35	34		
IR 2.2	Number of national level advocacy activities on transfer of state revenues to communes	N/A	34	35	34		
IR 3.1	% of communes where women are represented on the management bodies of basic social services	N/A	5%	N/A	N/A		
IR 3.2	% of Communes where activities target women's needs	36%	59%	55%	64%	73%	60%

E. CONCLUSIONS

1. PROGRAM SUSTAINABILITY IN THE CONTEXT OF DECENTRALIZATION POLICY AND PRACTICE

Although PGP has demonstrated significant impact on local governance, numerous factors outside of the program's reach will continue to exert influence on the outcome of decentralization policy on the well-being of Mali's growing population.

- GOM administrative supervision and technical support

In a decentralized system the State remains sovereign and exercises ultimate control over financial management and the legal conformity of decisions made by decentralized public entities. Moreover, the state has an important role in supplying communes with technical support to guide elected officials and personnel through to conformity with regulations and legal operating standards. Although the situation varies considerably from one cercle to another, supervision is insufficient, sometimes incompetent and sometimes corrupting. This impacts negatively on accountability and transparency, and encourages corrupt practices. Support to communes is also carried out by commune support centers (CCC) run by NGOs on behalf of the DNCT. The status of the CCC is scheduled to be overhauled over the coming 2 years, and NGOs replaced by a new civil service to be created. This change will impact greatly on the prospects for sustainability, as there will be a great need for technical support to newly elected councils and mayors in 2009.

Field personnel and 15 partner NGOs involved in PGP lessons learned exercise have underlined the problems posed by weak and sometimes corrupt administrative supervision of communes. Out of 17 factors cited as having a negative impact on communal dynamics, 14 out of 17 factors received 3 citations or less. Deficiencies in administrative supervision by the Interior and Treasury ministries was received 9. Inversely, good collaboration with Interior and Treasury was cited 5 times out of 26 citations (19%) as being a positive factor in local governance.

- The decentralization – deconcentration mix

Communes rely on technical support from a variety of state services, from Treasury (DNTCN) to natural resource management (SCN) to agriculture and water management and police. Before decentralization was instituted, these services had complete control over these public functions. Bringing civil servants and administrations to provide technical support to decentralized public entities is problematic. By all accounts from the field, in general services must be paid. Police used in tax recovery are allegedly paid roughly the equivalent of their normal wage by the commune, over and above transport costs. Treasury and Interior agents allegedly receive “contributions to costs” from communes to perform their duties. Moreover, communes are reportedly asked to contribute to the cost of official visits to the area, over which state agents have responsibility. These practices deprive cash-strapped communes from accessing technical assistance and sap the little resources communes do have.

- Decentralization policy within sectoral programs and development initiatives

Communes struggle to establish their legitimate public prerogatives within their boundaries, and often are not fully associated with development interventions. Many programs and NGOs work directly at the village level, with cooperatives, women's groups, schools, without establishing the operational links needed for the communal institution to exercise its legal attributions or otherwise establish working relationships. This reflects the fact that many organizations do not have explicit and/or operational

decentralization policies. It also reflects a phenomenon current in development by which organizations are compelled to race for palpable results but much less demonstrated sustainability. The impact of this phenomenon can be measured by the proportion of local infrastructure that lay to waste because of faulty management by – hastily created? – local associations. One of the hypotheses behind decentralization is that the commune can intervene when necessary to help local associations overcome organizational crises and exercise oversight in CSO management of shared infrastructure and equipment – provided the latter has not been made the exclusive private property of specific groups by the funding organization.

Field personnel and 15 partner NGOs involved in PGP lessons learned exercise have underlined lack of synergy between development partners / paid participation as a problem. Out of 17 factors cited as having a negative impact on communal dynamics, lack of synergy / paid participation was cited 5 times out of a total of 42 citations (12%). Fourteen out of 17 factors received 3 citations or less. Lack of synergy / paid participation was cited 5 times.⁵³

. Political divisions and political conflict

Political divisions and political conflict are the principal reason identified by partner NGOs for lack of progress in “less-advanced” target communes. Communities are subject – in varying degrees – to political contests for office and the resulting lasting divisions between groups. In Mali’s 703 communes the mayor is designated by council members elected through a proportional system. In many instances two major parties dominate the council, and designate a mayor from a party with few elected members as a political compromise not to favor one heavyweight party over the other. This produces mayors with representative deficiencies and low perceived legitimacy, ill-positioned to put council members to work. Moreover, in communes where politics dominate over common sense, political opponents invest themselves wholeheartedly in “sabotage” of commune credibility and initiatives. In this situation, not uncommon, the mayor has great difficulty in generating debate, mobilizing constituents or collecting taxes. Political divisions are the most often cited factor by NGOs for communes that have not progressed despite PGP support.⁵⁴

2. OVERALL SUSTAINABILITY ANALYSIS

PGP achievements, evaluated quantitatively and qualitatively in this report, indicate there is strong progress overall in establishing participatory, accountable and sustainable local governance in over one third of Mali’s 703 communes. In assessing the sustainability of progress made, differentiation between communes is needed. No two communes are exactly alike. Factors such as social cohesion, politicization, mindsets, resources and partners, literacy and media access all influence outcomes.

In August and September of this year, NGO partners and field staff were asked to evaluate prospects for sustainability with a sample of 6 communes per zone (90 communes in total). The sample included communes from each of the following pre-existing categories: Advanced, Emerging, Less-Advanced. The following definition was used to gauge sustainability:

“Sustainability is a function of the will of local actors, of their understanding of the stakes, of the success of their experience with PGP, of their level of commitment and of the dynamics of

⁵³ Paid participation refers to the policy of many development programs consisting of paying local actors including elected officials and state representatives to participate in project activities of professional or economic concern to them and undertaken in their village of residence or work. Lack of synergy includes bypassing the commune entirely to conduct activities within its legal boundaries.

⁵⁴ Source: Analysis of PGP performance by 15 partner NGOs and PGP field staff, conducted in August and September 2006

influence one another).”

Among the accompanying indicators used by each NGO were: dynamism of the local Governance Committee (GC),⁵⁵ proportion of planned activities carried out, relations between GC and council, GC and mayor, relations between council and mayors office and dynamics internal to the council. Also, efforts made to seek out technical support to continue to build capacity. These indicators were meshed with various PGP key indicators of performance (such as tax recovery and transparent financial management) by most NGOs in assessing sustainability.

The results indicate a very strong – and not surprising – correlation between a commune being classified as “Advanced” and its prospects for sustaining the reforms achieved with PGP. Likewise, “Less-advanced” communes have relatively low prospects and “Emerging” communes’ prospects are mixed. What is important here is that communes were evaluated not so much on PGP performance criteria but on indicators of buy-in and commitment to the principles and standards proposed by PGP. In most – but not all – advanced communes the Governance Committee is active, helps the mayor move the reform agenda forward without the systematic presence of the field agent. Advanced communes also carry out more than 80% of planned reforms in a time period,⁵⁶ have regular staff and council meetings, functional council commissions, public consultations and dialogue, and fair to good results with local resource mobilization. In these communes, it can be argued that if support were to stop at this time, the reforms initiated with PGP support would be maintained and carried forward.

In February and March of this year NGOs and field staff first rated their partner communes according to a mix of indicators formulated by each regional team based on PGP performance and operational indicators. As a result, 58 out of 250 communes were considered advanced (23%), 145 considered emerging (58%) and 47 considered less-advanced (19%).⁵⁷ When 1st year communes – in which PGP began activities between July and September 2004 – and 2nd year communes – in which PGP began activities between April and September 2005 were compared, it was established that, proportionally, there were 2.4 times more 1st year communes that were “Advanced” than 2nd year communes. Inversely, there were 3 times more 2nd year communes that were considered “Less-advanced” than 1st year communes. This would suggest that communes that receive PGP support for a longer period are more advanced. One must keep in mind, however, that 1st year communes are generally closer to a cercle chief town than 2nd year, and thus on the whole have more advantages (media access, markets, partners) than 2nd year communes.

As part of the program’s sustainability assessment, 3 NGOs (representing a 20% sample) took the initiative to revisit the classification in August and September (see table X, below). A comparison between the number of communes in each category shows that the proportion of advanced communes has nearly doubled on average in zones F and L, while proportion of less-advanced communes was reduced by more than half. The progression demonstrated by these figures is roughly equivalent to the progression between 1st year and 2nd year communes, measured in March of this year. Meanwhile, progression in zone I is much slower, with one more advanced commune.

⁵⁵ The local Governance Committee groups together commune officials and other communal actors around the commune’s reform objectives derived from the self-diagnostic conducted with PGP. GCs are expected to carry forward key activities outlined in the action plan (PSP) between visits and with the support of PGP field agent.

⁵⁶ Individual action plans (PSP) were evaluated by partners in all of PGP 250 target communes in May and June as part of PGP sustainability strategy

⁵⁷ Advanced communes are those that have progressed in most or all indicators; Emerging Communes are struggling but making progress on a number of fronts; Less-advanced Communes have significant obstacles to overcome in order to progress

Re-classification in all zones will need to be compiled in order to measure progress between February-March and August-September. Nonetheless, it can be derived from this exercise that in more than 23% of PGP communes progress can be considered sustainable at this point; and that the proportion of communes that reach this stage of advancement is likely to increase during the course of the coming year. What this means is that PGP communes progress over time, and that PGP approach is sound and can yield sustainable results. What this does not mean is that communes, including advanced communes, will not be in need of further assistance or that the enabling environment for local governance is achieved. To complete this assessment of sustainability, the following points should also be brought to mind:

- Sustainable, productive and equitable local governance is ultimately dependent – among other things – on a cohesive, informed and organized citizenry. Advanced and emerging communes have made great strides in partnership and participation, in dialogue and in financial management. But for this new openness can be short lived, is vulnerable, and should not be considered sustainable until much greater social organization has had time to fill this new open space. Sustainability can be achieved when constituents and groups see through the blindfold of extreme politicization; can and do make it impossible to run a commune with opacity.⁵⁸ More time is needed to achieve this.
- Sustainability of decentralized public entities cannot be achieved by one program alone. It can only be the product of political will and of a concerted effort by all development partners working in the same direction. In the discussion on PGP and the decentralization context, above, several elements of context were identified by field practitioners of PGP and require attention. Seven years after election of the first mayor, in 1999, communes account for less than 2% of fiscal expenditure and less than 2% of fiscal revenue in the 2006 national budget. The majority of Mali's Technical and Financial Partners (PTF) do not have explicit, operational policy regarding the communal institution.
- Elections are a regular feature of local governance. In 2009, a certain proportion of mayors and councilors will be replaced. The months leading up to election period will be critical. Newly elected officials will be in need of training and mentoring. Support programs to local governance, whether they be institutionalized into a regional civil service or implemented by Mali's development partners, will be a necessary then as they are now.

TABLE (16): COMMUNE CLASSIFICATION IN ZONE F, I AND L

Commune classification	No of communes in zone	Advanced Communes		Emerging Communes		Less-advanced Communes	
		08-09 2006	02-03 2006	08-09 2006	02-03 2006	08-09 2006	02-03 2006
APSRU zone F	22	18	7	3	12	1	3
OMAES zone I	13	6	5	4	5	3	3
ARDIL zone L	14	6	3	7	7	1	4
Total	49	30	15	14	27	5	13

⁵⁸ Citizens in two of PGP target communes have successfully challenged the mayor, leading to legal and administrative procedures by central government. Several more instances could be recorded if the administrative supervision of communes by the Interior and Treasury ministries was improved.

Commune classification	No of communes in zone	Advanced Communes		Emerging Communes		Less-advanced Communes	
		08-09 2006	02-03 2006	08-09 2006	02-03 2006	08-09 2006	02-03 2006
As % of total no of communes	100%	61%	30%	28%	55%	10%	26%

4. CONCLUSIONS, DIFFICULTIES AND OUTLOOK

During the base period, PGP program implementation was conducted in sequences in the form of building a structure starting with making the foundations, mounting walls, putting carpentry and roofing and wallpapering and floor matting. PGP implementation could be also portrayed as having been done in three phases: the first step consisting of putting in place the basics of implanting an innovative approach; the second step was the intermediary one and consisted of putting in place things needed to entrench the basics introduced and the third step consisting of the consolidation of the efforts made during the previous two periods.

The first year implementation of the program consisted of program installation and of conducting a pilot phase that enabled the team to search for the most appropriate approach to the intervention. After putting together a formidable team of professionals and experienced local NGOs deeply rooted in their respective zones, MSI and partners undertook to use internal resources to design appropriate technologies for the intervention, test them in the communes of residence of the agents. This resulted in the signing of partnership protocols and the conduct of participatory diagnostic in the first generation of 71 communes.

The second year saw a full extension of program activities to the entire project zone with the signing of partnership protocols and the conduct of participatory diagnostic and planning in the additional 177 communes of the second generation of communes of the project zone. These activities were undertaken following a thorough review and revision of tools and strategies designed and used in the piloting phase. The team had become fully operational during that second year and had reached its cruising speed. By the end of that second year, shared governance had become a household term and PGP team had established itself as a credible partner in the development community.

The third year activities saw the full implementation of PGP accompaniment strategy in all 250 communes of the project zone. Activities were field-oriented in the true spirit of learning by doing and empowering commune actors in the process of consolidating a system of shared governance as witnessed by the development of ownership and sustainability plans for all 250 communes. In FY 06, along with the promotion of participation and partnership, financial management was the most successful program. PGP financial management improvement team was very successful at mobilizing many other partners (GTZ, SNV, LUX DEVELOPMENT, WORLDVISION, BELGIAN cooperation) and scaling up the successful management program it had designed and implemented in collaboration with the PACT/GTZ, the DNCT and the DNTCP. These organizations have teamed up to develop an accompaniment plan, mobilize funding from other donors and begin the training of trainers for all prefects and Treasury agents in the country. Already 490 commune agents and elected officials and 60 Prefects and Treasury of the District of Bamako, the regions of Segou and Koulikoro have received training that they will replicate at the local level. Through its assistance to communes in resources mobilization, PGP communes have maintained or increased the level of resources mobilization in the face of economic hardships related to the drought and locust attacks.

Finally PGP continued work on the refinement of its monitoring and evaluation tool to turn it into a comprehensive and meaningful management information system. This led the team to design operational

indicators that will permit an informed monitoring of project activities and the provision of adequate support to the field teams that will in turn provide accompaniment well suited to the needs of the partner communes and help solve problems and build processes geared at improving shared governance in the communes.

The fourth year activities will be build on lessons learned from the above successful activities and be devoted to the consolidation of the successes achieved and to putting heavier emphasis on local and national empowerment and sustainability. PGP will continue the capacity strengthening of the local mechanisms by conducting true action training.

4.1 CHALLENGES, OPPORTUNITIES AND LESSONS

The implementation of the year III program of the shared governance program was marked by the discovery of numerous challenges and opportunities. PGP team will tackle the challenges and seize fully the opportunities in the continued implementation of its program to contribute to the consolidation of democratic governance in Mali.

The centrality of governance

As we always say, governance is to development what the software is to the computer. Without software, a computer does not operate. In the same vain, without democratic governance, development programs do not capture the populations and the resources allocated to development could be ill spent. The biggest challenge that PGP had to fight continuously and that distracted the staff and caused major deviations in the original approach was those coming from the others in the environment that could not understand the centrality of the governance in development. We originally intended to organize actors at the commune level, bring them to interact with each other, identify their interaction problems, seize them, own them and find solutions on their own. By insisting that PGP show what it could do for them and immediately, the other actors and partners have forced PGP to put on hold that shared governance approach to problem identification, owning up the problems and bringing individual actors contributions to the resolution of the problem. PGP was faced with the challenge of the acrobat which consisted of responding to the short term needs of others who do not understand a thing about development and the need to build long term sustainable systems of local governance. PGP team is strongly committed to continuing to face that challenge in order to change the status quo.

Budget reductions

The reductions in PGP budget levels in FY 06 and FY 07 were announced after the FY 06 work-plan was prepared and approved. This created many challenges for PGP staff. The first challenge was related to finding ways to deal with the changes in the work plan and how to proceed in handling new requirements. PGP senior staff had to spend considerable amount of time managing the requirements of the budget changes for the third year and the preparation of the revised programs for the for the first option year. At the same time, field activities were altered to fit them into the budget constraints and arrangements were planned to withdraw from a number of partner communes. The second challenge was related to the interactions with the partners and other actors in the environment. The sudden loss of funding forced PGP to cancel many already announced activities that constituted the main incentives PGP had to offer. This put PGP team on the defensive, having to continuously explain why things happened the way they did. PGP also had to struggle with a situation where PGP was marginalized, left out of major fora, not able to participate in many happenings related to work in the environment of decentralization. PGP staff will continue to face some of these challenges in the coming period.

Political developments

At the beginning of the implementation of the program, the political system in Mali was characterized by the lack of opposition political parties with its resulting absence of criticism in the process of the design and implementation of public policies. During the reporting period, political disturbances occurred at the national Assembly and in the overall political environment that created an opposition in the national assembly and challenges to the existing system. Although this resulted related in the loss of major allies that were at influential positions and were pushing for the speedy transfer of responsibilities and resources at the level of the national assembly, it created a new political era. While this change in the political landscape created problems for PGP at the national assembly level and disrupted its planned activities, it could create a political environment that will be more conducive to objective evaluations of the activities and recognition of the true value of decentralization in the national life.

Building ownership for sustainable systems

Although progress has been made with the *prise en charge* disease, a lot of local CSO officials and commune councils members and other elected officials in the project zone continue to resist is noticed throughout the project zone with respect to the handling of the costs of the governance improvement activities. This is due to the fact that other interventions continue to reward participation with cash injections. PGP must find ways to resolve those.

Support from local elected officials

Participation bought with material incentives was the norm in the project zone at the time PGP implementation began. The staff invested a considerable amount of time sensitizing the partners in the need to change that state of affairs into one that is related to interest articulation and advocacy for the rights to participate in the governance of public affairs that concern all citizens. These efforts have yielded some dividends. But PGP still does not enjoy full support all over the project zone on the part of major actors who fail to exercise their ownership of the governance improvement programs, and fail to contribute very little to its implementation at best or continue to request compensation for their participation in the implementation of those activities. PGP will continue to face the challenge, adjust its approach and facilitate the change.

GRM support

PGP receives very strong support from the DNCT and high level officials of the Ministry of Territorial administration (MATCL) in the implantation of it programs. As is the case with many activities, this support does not trickle down to the regional and local levels. It is important that PGP find strategies to translate this high level support into support from the technicians and the field representatives of the MATCL and other ministries in general, and the ministry of finance in particular. At this stage of the implementation of the "*Plan d'accompagnement de la gestion financiere communale*" this is critical to the consolidation of decentralization. PGP now knows it can count on the support of the MATCL and will continue to rely on this support to continue work.

Self-reliance

It is a common practice in developing countries in general and in Mali in particular to find that the officers of different institutions and government agencies sit back and relax and wait for donors to come in, design program, provide resources for the implementation, conduct implementation and evaluation and close business and leave. This provides temporary relief, but does not provide a permanent cure. In interactions with some officials at national and local levels, some officials stated that PGP is helping them discover these types of anomalies and they are right now ready to explore their internal strengths and start conduct minimal programs to address the resolution of the problems they are facing. PGP is committed to support such officials in this kind of worthwhile struggle that empowers and disenfranchising people from the outside reliance.

Relations with GTZ

The partner PACT/GTZ has posted a permanent advisor in the *Direction nationale des Collectivites* of the Ministry. The advisor selected also happens to be a specialist who worked as part of the team consulting that conducted the study on the HCC capacity to conduct advocacy and other constitutional functions for PGP program. This is a very positive development and a great opportunity for collaboration on issues related to the implementation of PGP in general and component III activities in particular for at least two reasons. First, the person is very familiar with issues related to the improvement of the macro-political environment and agrees with us on what it takes to change the status quo. The second is that the DNCT organization is our best partner and ally in the government institution and will be open to examining issues with us and pushing for changes in the existing mechanisms of the ministry and the government.

Governance in mining areas

PGP has began to prepare for the implementation of the global development alliance negotiated between the USAID and the Morila mine company. The past experience of PGP involvement in such an alliance was the one between USAID and Coca cola. This turned out to be a very enriching experience for PGP and contributed to the consolidation of democratic governance in the areas of synergy with WAWI. The Sanso project gives PGP a new opportunity to serve and provide a pioneering contribution to the governance system in the mining zones that receive substantial levels of resources from mine operations but continue to suspect where mine companies and surrounding communities live in a very suspicious manner. PGP hopes that its intervention will result in the advent of shared democratic governance systems and creating accountable management resulting in community cohesion and increased welfare for the populations living around the mine. PGP is resolved to achieve above level expectations and provide a model that could be shared with others and replicated at other mine sites in the country and beyond.

F. OVERVIEW OF IMPLEMENTATION IN FY2007

1. OVERVIEW

In light of the results achieved the last three years of implementation of the shared governance program, taking into consideration the requests of the communes partners as a result of their reviews of their communes plans and the very limited resources available to PGP in FY 07, PGP team will focus more sharply and use the available scarce resources on some of the critical issues and successes areas identified

during the implementation of the base period program. The following explain those focus areas and the rationale for the choices that were made by PGP team:

Recognizing that fiscal management is a critical part of all sound political and governance improvement processes and based on its positive contribution to this domain and demands coming from the field partners, PGP would like to turn this subject area into the main priority area for Option Year One program. With the full support of the *Direction Nationale du Tresor et de la Comptabilite Publique, (DNTCP)* and the *Direction Nationale des Collectivités Territoriales, (DNCT)* and in collaboration with the GTZ and SNV partners, PGP has been very successful in designing and implementing a very sound approach and program in this area. It was able to create itself a special niche. During the first option year, PGP intends to focus efforts on the continuation of those activities at the commune level and assist with continuing to scale up the program at the national level. PGP will continue to assist with other activities that build citizen confidence in government. The commune Councils will be assisted to regularly account to citizens and other actors for the use of public funds. PGP will also provide support to the civil society actors to seek and promote accountability in all program areas in general and in financial management improvement activities in particular.

The second area of focus will consist of strengthening the local institutions to ensure more ownership and sustainability and much improved capacity in fiscal management and resources mobilization. PGP will focus its limited resources and efforts in the assistance to increase the capacities of the partners to own and sustain governance improvement activities in general and fiscal management and resources mobilization in particular. The project team is committed to implement a capacity building approach that will strengthen the existing participatory mechanisms developed and installed during the base period for the purposes of promoting participation, resolving conflicts, and managing natural resources. Secondly, the project team will focus on strengthening the capacities of institutions that play a role in the collection and management of revenues such as the Commission des Finances, the accountants and their systems. It will also focus on strengthening the capacities of those institutions that detain the statutory role to control and provide assistance to the communes in financial management. PGP will rely on the use of true action training approaches that lead to sustainable systems development and true action training ones to solve concrete problems facing commune actors in the development of the collective capacity to handle various development problems. We believe this will contribute greatly to the efforts of the GRM and partners in the development of viable and sustainable commune governance systems that would outlive PGP.

Obtaining more commitment and ownership of PGP activities in the communes will continue to central to PGP implementation. Considering that the payment of PGP activities continue to pose problems and misunderstandings, PGP field teams will spend time and energy to negotiate detailed capacity building plans and obtain commitment and ownership of those plans by the actors in the commune prior to undertaking the facilitation of any new activities in the communes.

Finally, PGP field agents have identified many constraints in the conduct of their facilitation activities in communes and in the implementation of the scaling up of the financial management improvement plan. PGP will rely on those concrete problems identified at the local level to build alliances and promote the conduct advocacy activities on the part of the allies at the macro-political level to bring about resolution to those problems that constitute obstacles to local environment of decentralization and good local governance.

G. PROGRAM MANAGEMENT

The third year of the program was highly management-intensive. The MSI Washington staff, PGP central and regional staff and the NGO partner organizations officials all spent a considerable amount of time figuring out what to do with the FY 06 budget reductions and preparing to revise the FY 07 program and budget and getting ready to implement the first option year program. Program management activities consisted during this reporting period of the preparation of the FY 05 annual report, the preparation of the workplan for FY 06, holding the first quarterly review, the preparation of the revised technical and financial proposal for the remainder of the base period and for option year 1, and the organization of various management meetings. .

Details related to the preparation of annual reports and work-plans, the quarterly reviews meetings and the preparation of the technical and financial report can be consulted in the first semester report. T

Organization of the quarterly review meeting:

As planned in the annual work plan, the project staff organized the first quarterly meeting of the fiscal year 2006. The details about the meeting are contained in the first semester report.

The second quarterly meeting took place in April and was essentially the revised program and budget and the consequences of the project, the teams, the NGOs and the communes that will be abandoned. The meeting participants agreed on minimal actions to be taken during the transition period. The third one scheduled for September was finally held on October 02 through 10/06 and consisted of the review of the base period and as usual was also focused on the preparation of the FY 2007 work-plan. Details of the base period review by the staff and partners are found in the body of this report.

Organizing the transition period:

The MSI management and PGP field staff worked on a transition strategy and plan that was submitted to the CTO (see copy in annex). The MSI organization painfully implemented that transition plan through the conduct of the following activities:

- Terminating the subcontracts with the CARE and SAVE partners and disposing of the project property
- Hiring and filling new and vacant positions and preparing to enter into contractual arrangements with the regional and field personnel inherited from CARE and SAVE.
- Monitoring the transfer of equipment from the subcontractors to MSI that is the main contractor
- Preparing to enter the direct sub-granting with 8 new NGOs and identifying a new NGO for the region of Kidal.
- Managing new regional offices of the CARE Zone that were abandoned by CARE for lack of funds.
- Monitoring the base period budget and making adjustments to the budget to prepare for the option year.
- Handling emergencies that arose as part of the unforeseen difficulties related to ending a three-year relationship. Some of these difficulties have to do with chasing around local partner NGOs to get the end of period obligations taken care of.

Organizing the exit from the communes:

PGP regional team and NGO partner organizations also drafted an exit strategy and implemented it in various ways in the different regions. The following steps were followed:

- PGP designed an exit plan that consisted of actions to be taken at the central and the regional and local levels.
- PGP organized program review sessions in each partner communes, facilitated the preparation of ownership and sustainability plans and announced at the same time that there will be an exit after September 14 from 100 communes that were not identified at that point.
- After the 100 communes and their NGOs were defined, NGOs wrote letters to the communes, visited them and announced the news. As much as possible, each NGO facilitated the inclusion of the sustainability and ownership plan that was going to be implemented in the CDP and made the connection with existing organizations that were staying.
- PGP also encouraged the NGO to draft proposals for their zones that PGP will push and support at the level of other donor interested and working in their geographic areas.

These actions planned in the exit strategy are continuing to be carried out in some areas. As much as possible, PGP regional staff will continue monitoring the implementation of the sustainability plans in the 100 communes and continue promoting the transfer to national institutions, and continue to provide accompaniment as much as the resources permit.

SHARED GOVERNANCE PROGRAM ORGANIZING EXIT FORM COMMUNES SYSTRATEGY

After identifying the 100 communes that will be exited from, PGP and NGO partners will undertake a number of activities that will insure the continuation of governance improvement activities in the communes and insure their ownership by the communal actors. These activities will consist of exit notification, development and implementation of a consolidation and sustainability plan, and follow up assistance from the neighboring PGP entities covering the region and the zone that was eliminated from the existing PGP zone.

Notification of the commune officials

PGP entered into partnership with the commune through negotiating a partnership protocol that was submitted to commune council deliberation and signed between the head of the NGO and the Mayor on behalf of the commune.

It would be important to follow a similar procedure to end the partnership with the commune. PGP staff will facilitate this process. They will assist the partner NGO Official to make the announcement and discuss with them the need to develop a plan, find a locus for the plan and implement it.

CONSOLIDATION AND SUSTAINABILITY PLAN

PGP staff will facilitate the development of a consolidation and sustainability plan for the commune. This exercise will consist of the evaluation of the implementation of the "*plan strategique de partenariat, PSP*", the evaluation of the functioning of the local entities that conduct the PSP implementation, and the subsequent drafting of a plan that is realistic and that could be implemented during the remaining period.

Orientation of the leaders

PGP will orient the local actors leading the local entities in the discharge of their duties independently of the continuous supervision of PGP field staff.

ASSISTANCE IN FINDING A LOCUS FOR PGP ACTIVITIES

PGP realizes that the capacity building intervention is an integral part of the structure of the commune development plan. PGP knows that the MATCL/DNCT structures in the field are semi-permanent institutions that are empowered with assistance to communes in the capacity building area. PGP will negotiate an agreement with the DNCT/CCN to get their field structures to take over PGP activities in the field.

At the local level, PGP staff, the NGO officials and the communal leaders will approach the DNCT representatives and seek that they accept the transfer of responsibility from the exiting PGP and themselves.

SEARCH FOR FUNDING FOR CONTINUATION

PGP has enjoyed a good reputation among the partners in the communes. PGP central and regional staff will encourage the NGO partner to build on that reputation and search for technical and financial partners operating in the zone who are willing to and able to provide funding to the NGO to continue PGP assistance to the communes. This assistance will take the form of preparing proposals that could be submitted to the potential partners.

FOLLOW UP ASSISTANCE

PGP staff operating in the neighboring regions and zones will make it a point to occasionally visit the communes concerned, monitor the continued updating and implementation of the consolidation/sustainability plan. PGP will also continue to collect annual data during the remainder of the option periods.

H. SUMMARY OF PGP ACTIVITIES FROM FYO6 ANNUAL PLAN

1. FIRST SEMESTER ACTIVITIES

OBJECTIVE I (IR 1) PARTICIPATION OF KEY COMMUNAL ACTORS IN DEMOCRATIC GOVERNANCE INCREASED IN TARGETED COMMUNES

- PGP staff will report on results achieved during the base period to the key actors in the communes. Council meetings will serve as fora for this communication.
- PGP will provide assistance to communes in the area of functioning of the communes working commissions with special emphasis on the Finance commission
- PGP will promote the participation of communal actors to the commune councils sessions
- PGP will provide assistance in the strengthening of partnership and the formalization of these relationships.
- To provide assistance in the development of comprehensive strategies in the area of resources mobilization, in financial accounting and in financial reports writing
- To develop tools for the priority program areas: communication strategies, resources mobilization strategies, market management, conflict prevention and resolution.
- To review experiences and learning from other experiences

- To strengthen the capacity of the field agents in the use of the tools developed in the form of training of trainers.
- PGP staff will continue the implementation of the *plan d'accompagnement* in the circles of Dioila, Sikasso, Kadiolo and Koutiale that did not benefit from previous training sessions.
- PG staff will design and implement the partnership program in the SANSO commune as part of the USAID/Morila GDA.
- PGP will facilitate the conduct of reviews of communes plans and their modifications with respect to the women activities and develop a commune plan that is owned by the communes actors and the commune council and inserted in the *Plan Strategique de Partenariat* (PSP).
- PGP will facilitate the conduct reviews of the income generation activities for women in the 24 WING communes, strengthen the capacities of the management committees and provide women leadership training activities.

OBJECTIVE 2 (IR I) MACRO-POLITICAL ENABLING ENVIRONMENT STRENGTHENED

- PGP component III management team will build alliances in order to address the obstacles encountered in the process of scaling up the financial management training program. Areas covered will include
- PGP national and regional staff will rely on allies to conduct advocacy in resources mobilization in favor of communes where big industrial entities are located.
- PGP staff will provide assistance to the HCC, AMM and ACCRM to develop advocacy strategies and analytical capacities while relying mainly on internal resources.

PROGRAM MANAGEMENT ACTIVITIES

- PGP staff report formally at the national level partners on the achievement of the base period. The targets will be USAID, MATCL and other major technical and financial partners.
- To prepare and submit the first semester report
- To organize a quarterly meeting with the regional teams and with the Koni-Expertise partner
- To review operational indicators and get them used for the collection of data in preparation for the first semester report preparation
- To revisit and develop new gender indicators that will be submitted to the USAID approval and incorporated in PGP ME system.

2. SECOND SEMESTER ACTIVITIES

OBJECTIVE I (IR1) PARTICIPATION OF KEY COMMUNAL ACTORS IN DEMOCRATIC GOVERNANCE INCREASED IN TARGETED COMMUNES

- PGP will facilitate commune level training in all areas of intervention (building strategies for resources mobilization, conflict prevention/resolution, women leaders training, markets management)
- PGP will provide assistance in the preparation of the budget modification for fiscal year 2007.
- PGP will provide assistance in budget the preparation of the budget for fiscal year 2008 and provide assistance in accounting for the execution of the 2007 budget.

- . PGP will provide accompaniment and monitor the implementation of the tools developed in each partner commune.
- PGP will accompany partners in the strengthening of the capacities of the IGA management committees in 24 communes and the conduct of leadership training for women in all communes.

OBJECTIVE II (IR2) MACRO POLITICAL ENABLING ENVIRONMENT STRENGTHENED

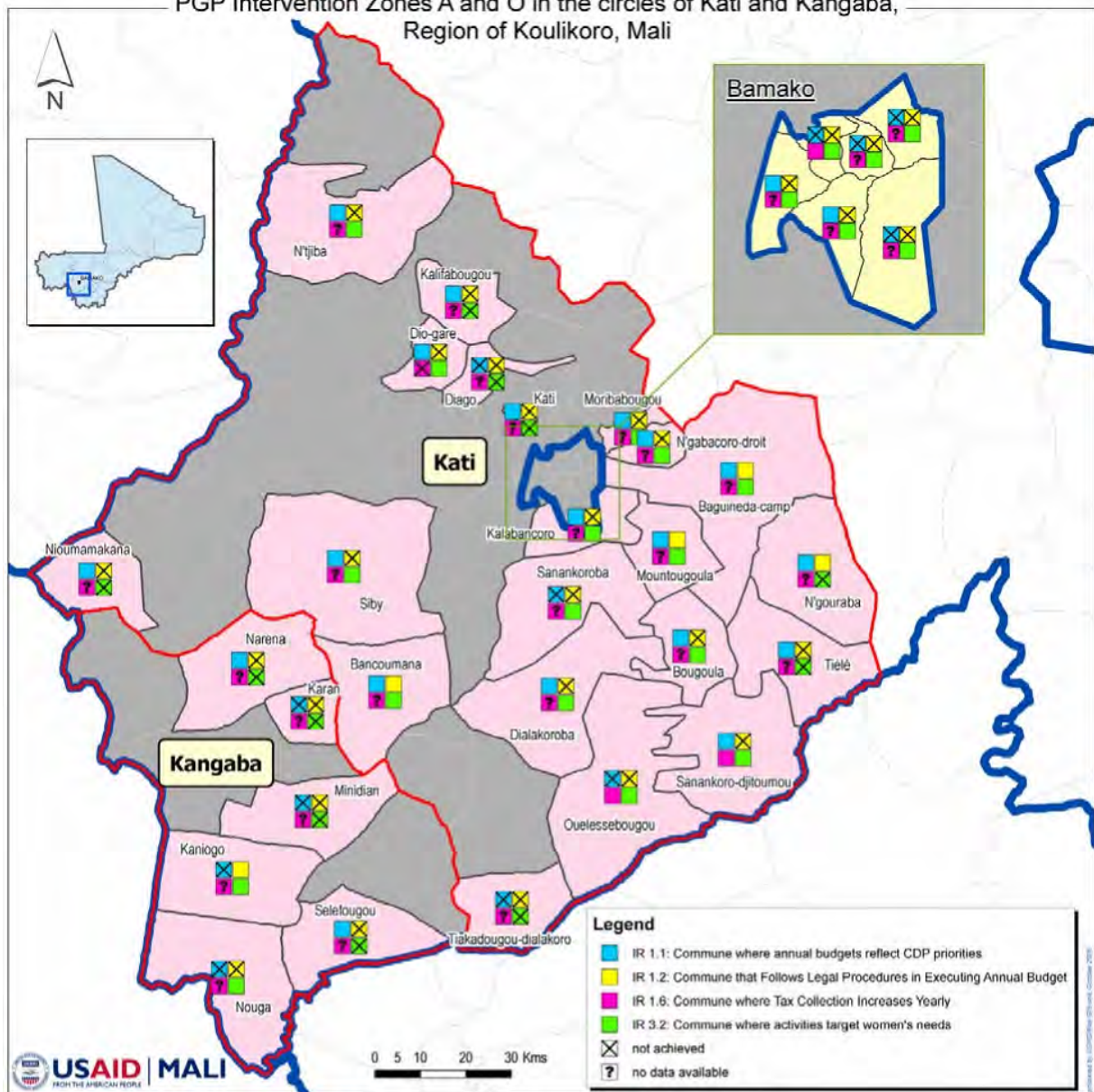
- PGP component III staff will continue building alliances and address the resolution of the issues related to the execution of the financial management improvement plan
- PGP will continue providing advocacy in the area of financial management and the mobilization of resources from big companies located in partner communes.
- PGP will continue providing assistance in the analysis of documents and in building advocacy strategies

PROGRAM MANAGEMENT ACTIVITIES

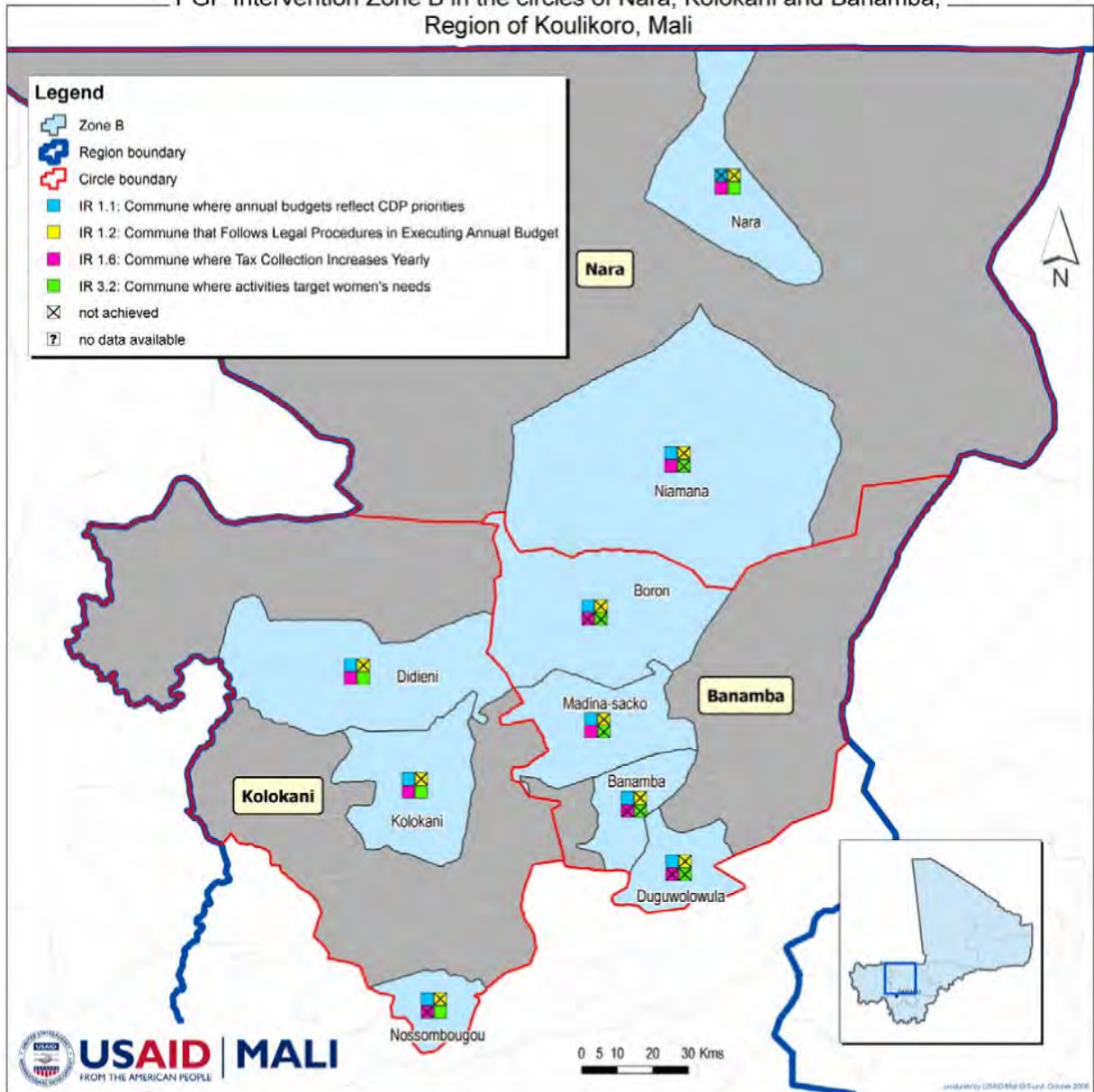
- PGP will prepare and hold quarterly program review sessions with the participation of regional teams.
- PGP will organize one semester meeting with NGO partners Officials for the purposes of reviewing the state of project implementation
- PGP and partner NGO will review and renegotiate the new protocol (programs and budgets).
- PGP staff will prepare FY 2008 work-plan in case the USAID Mission decides to provide funding for the option year II of the contract
- PGP team will prepare and submit 2007 annual report

APPENDIX A: MAPS OF RESULTS

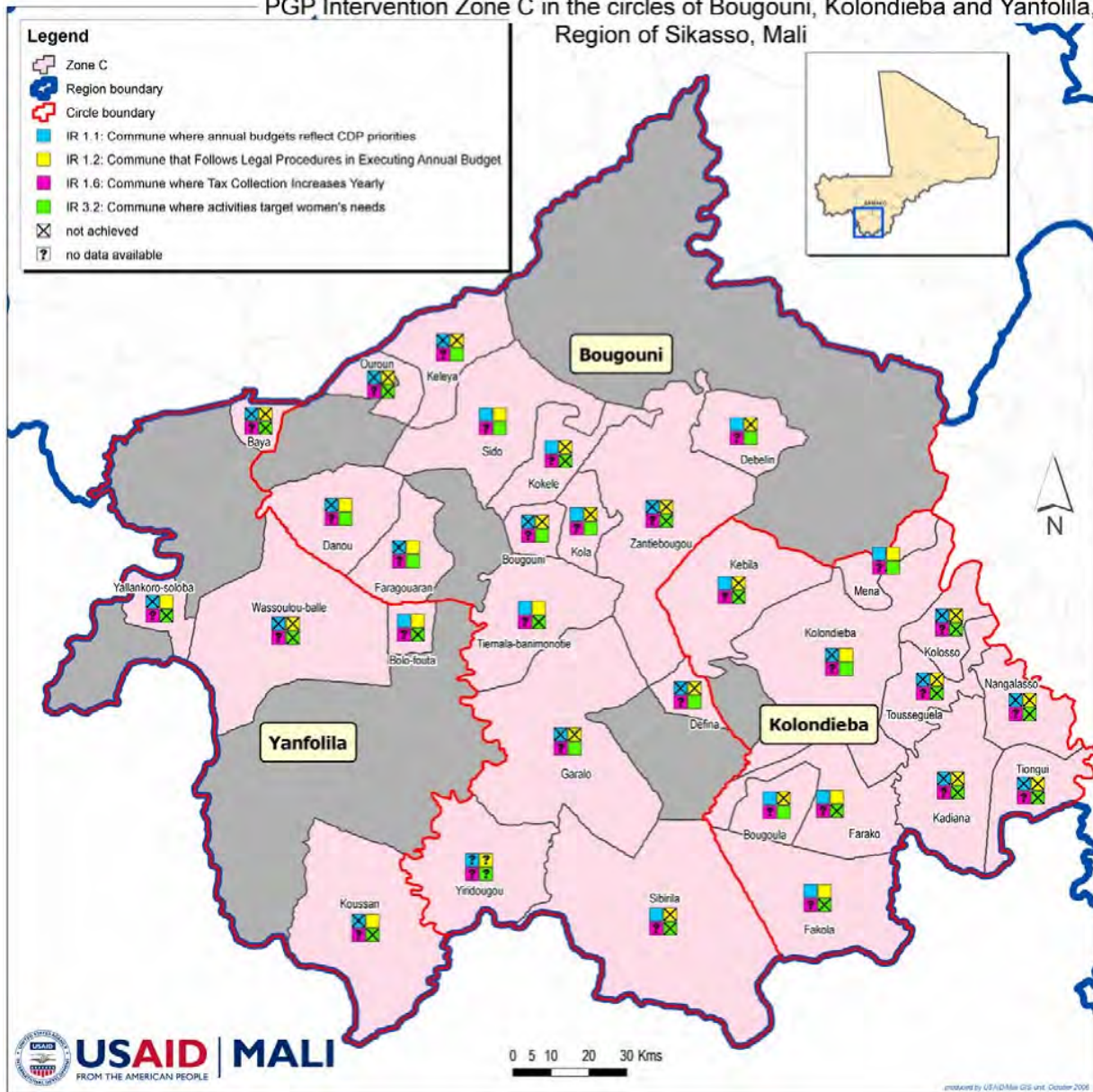
PGP Intervention Zones A and O in the circles of Kati and Kangaba, Region of Koulikoro, Mali



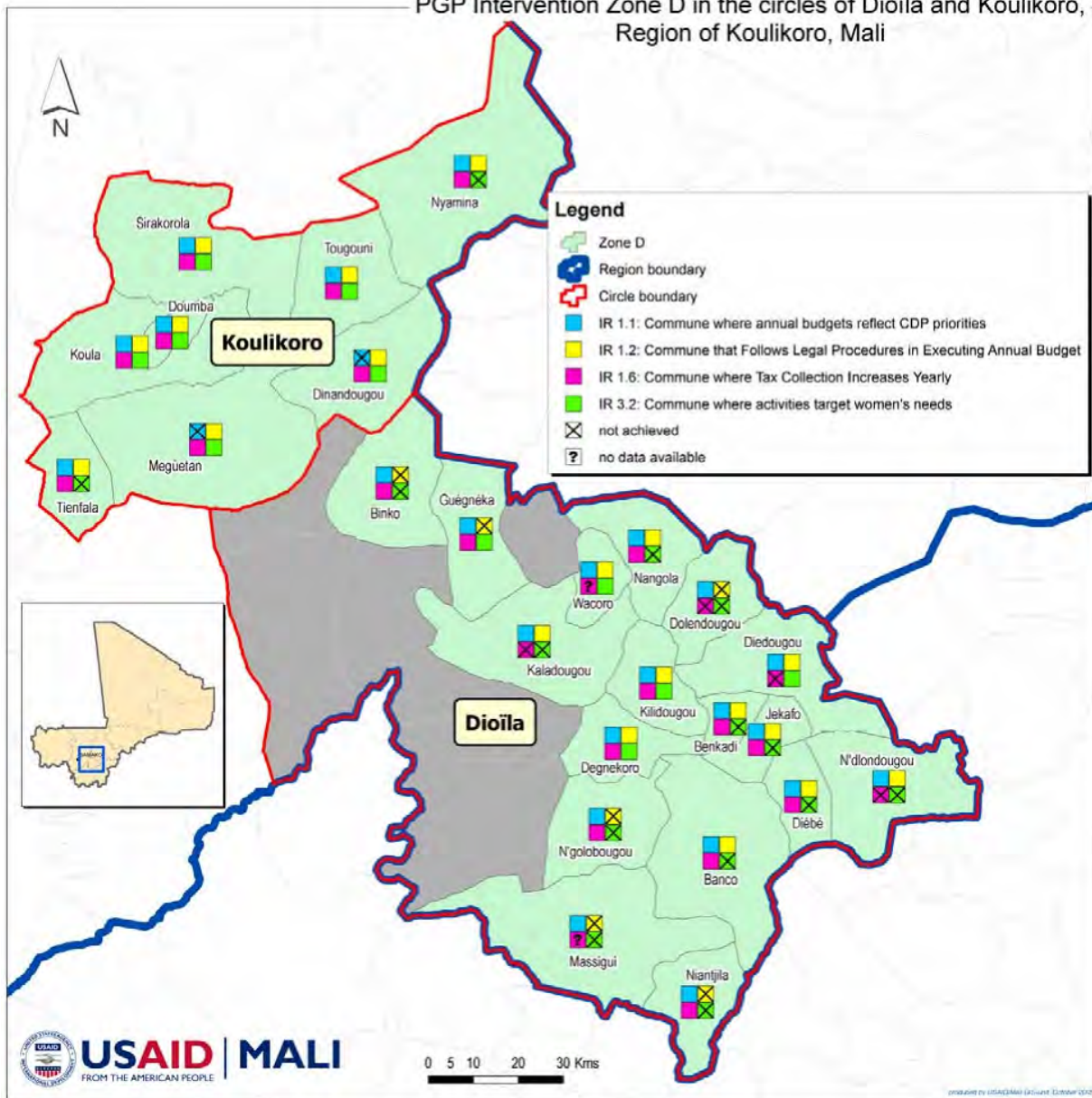
PGP Intervention Zone B in the circles of Nara, Kolokani and Banamba,
Region of Koulikoro, Mali



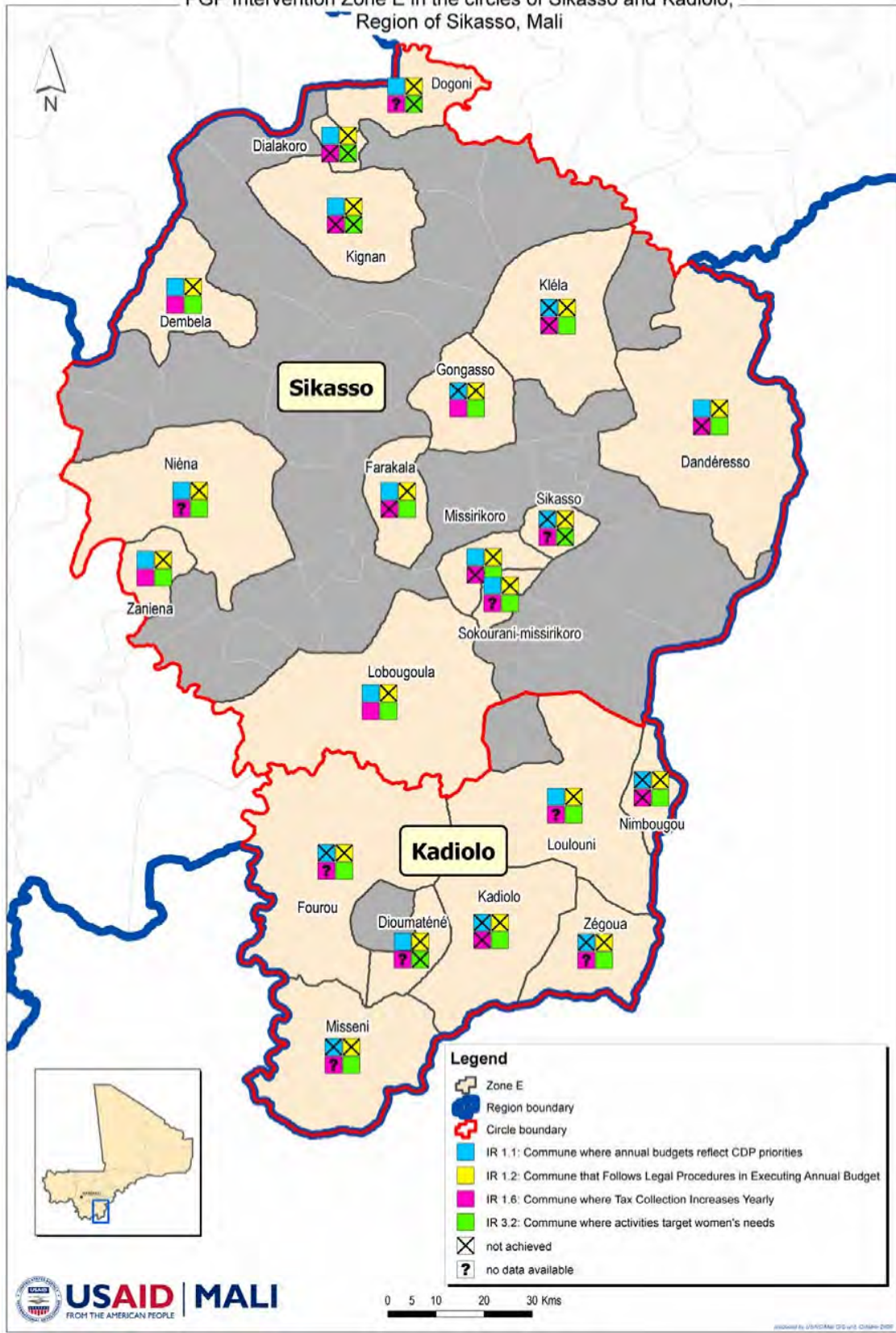
PGP Intervention Zone C in the circles of Bougouni, Kolondieba and Yanfolila, Region of Sikasso, Mali



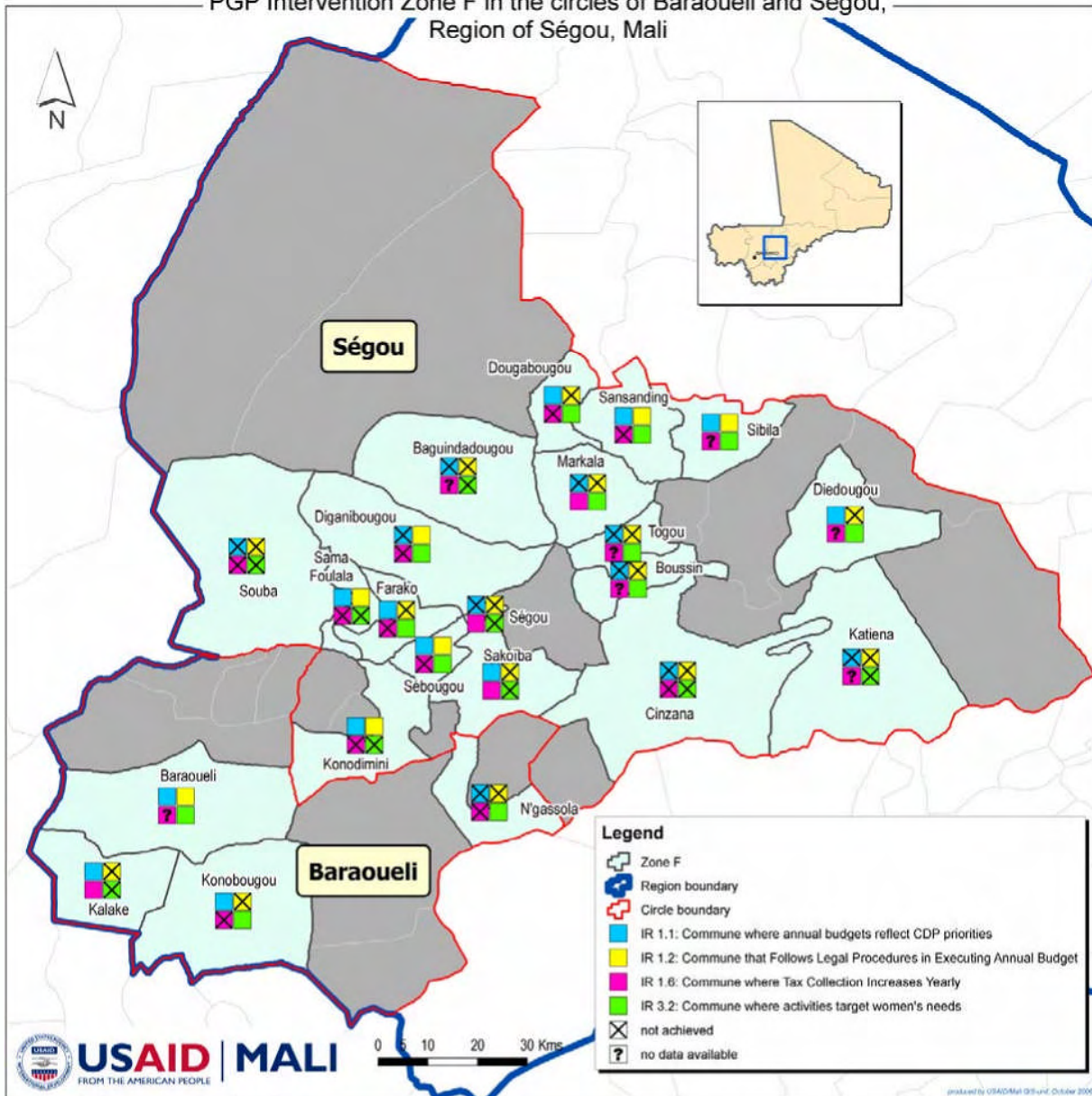
PGP Intervention Zone D in the circles of Dioïla and Koulikoro, Region of Koulikoro, Mali



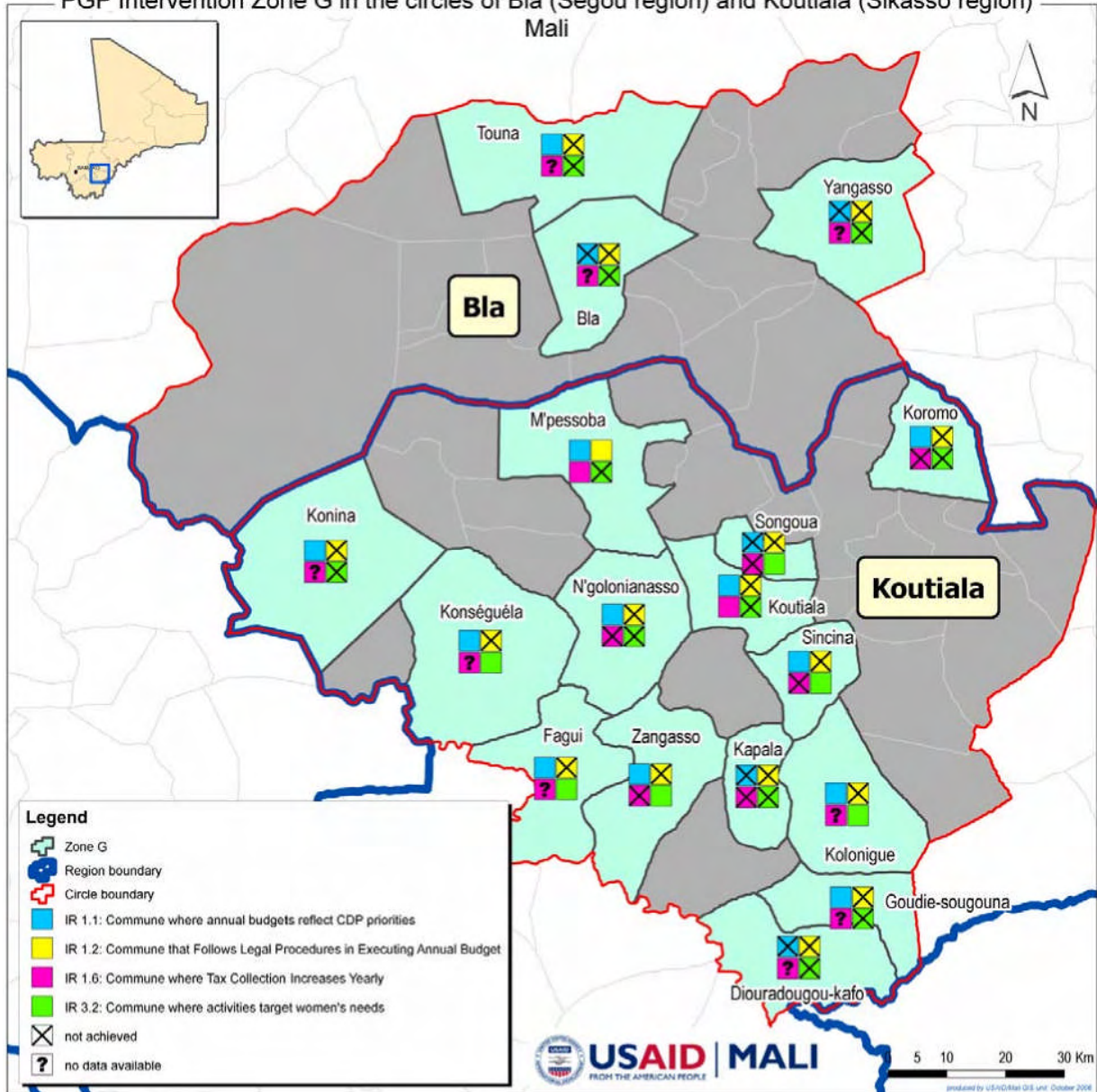
PGP Intervention Zone E in the circles of Sikasso and Kadiolo, Region of Sikasso, Mali



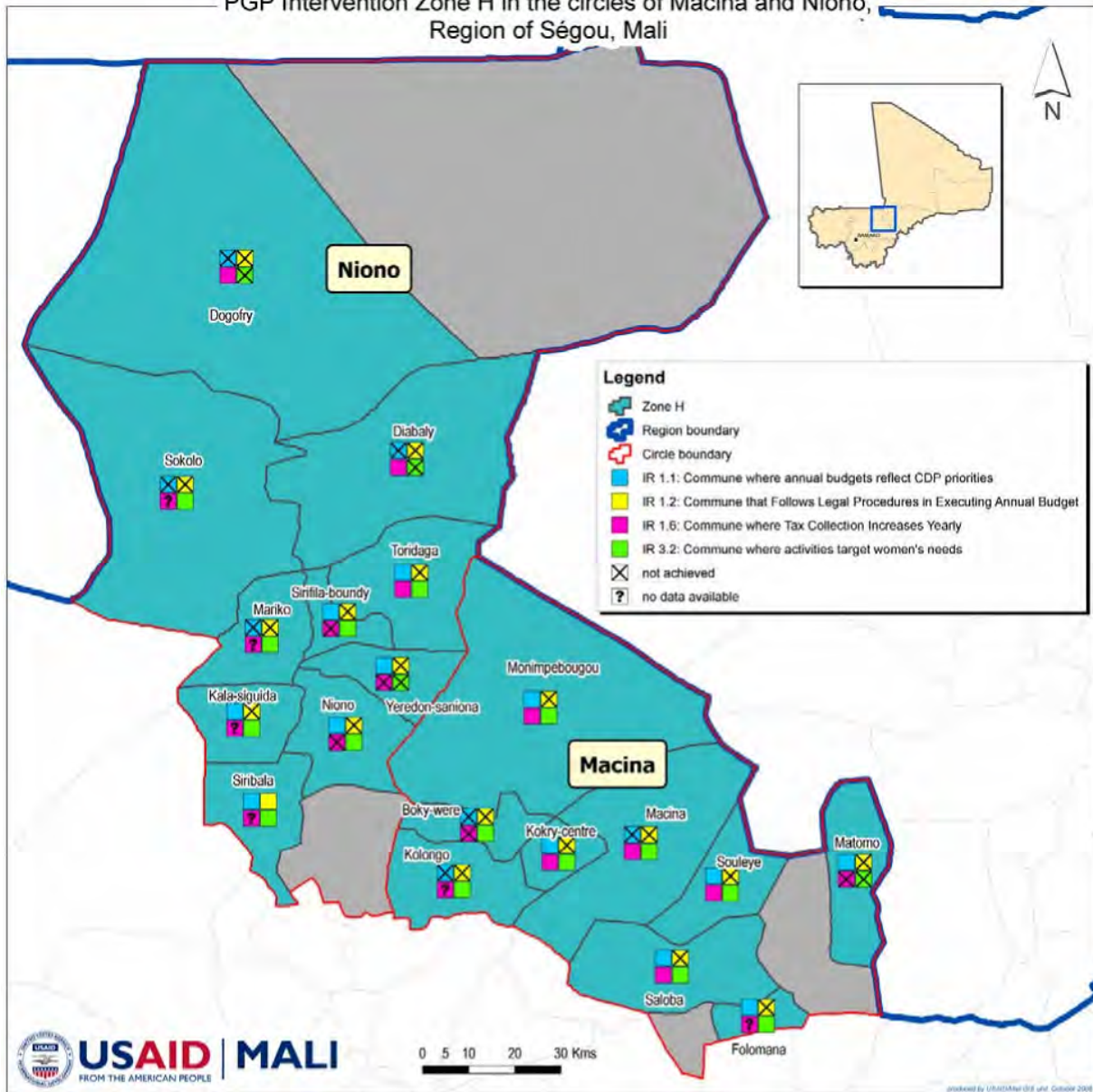
PGP Intervention Zone F in the circles of Baraoueli and Ségou,
Region of Ségou, Mali



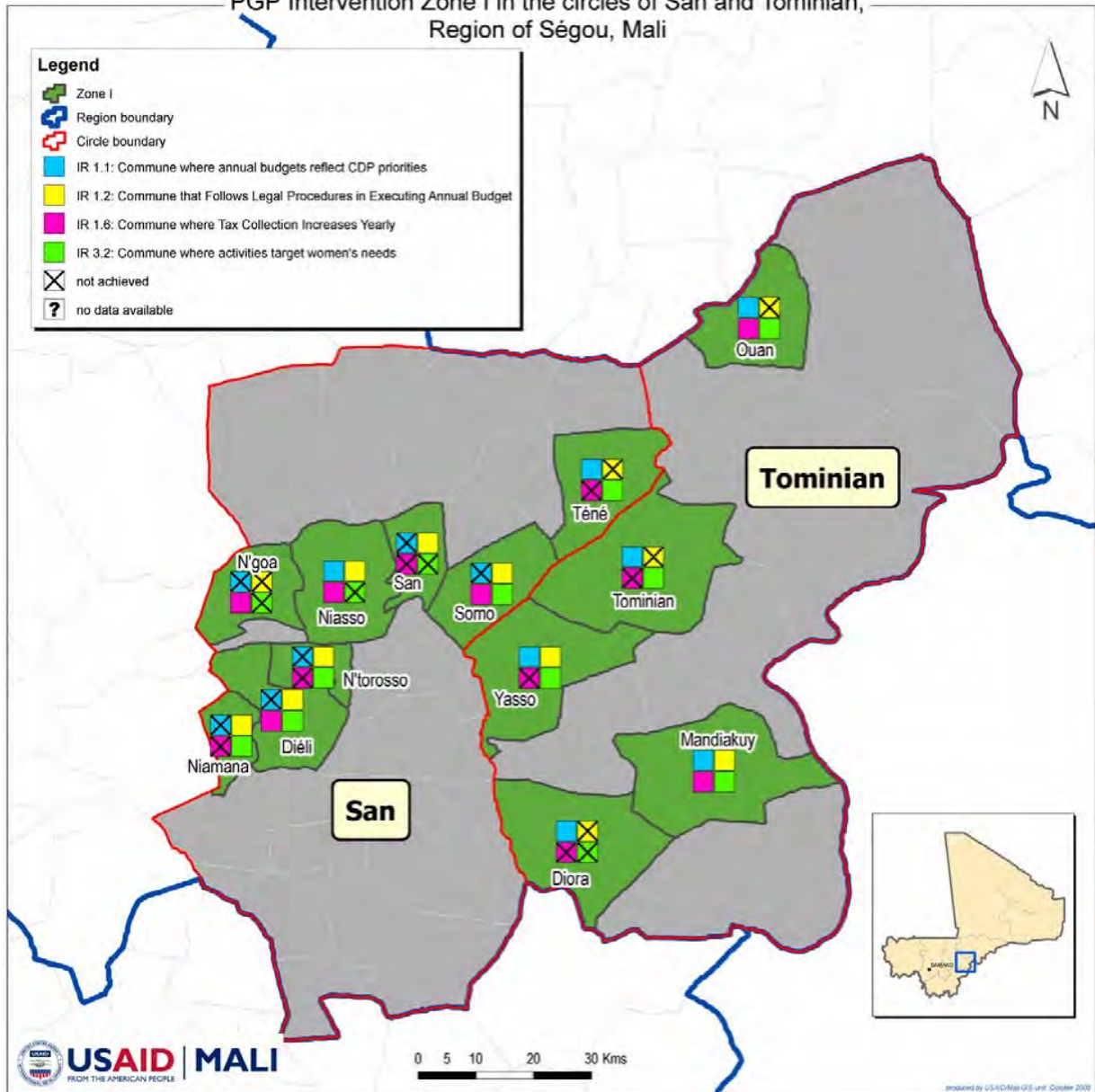
PGP Intervention Zone G in the circles of Bla (Ségou region) and Koutiala (Sikasso region)
Mali



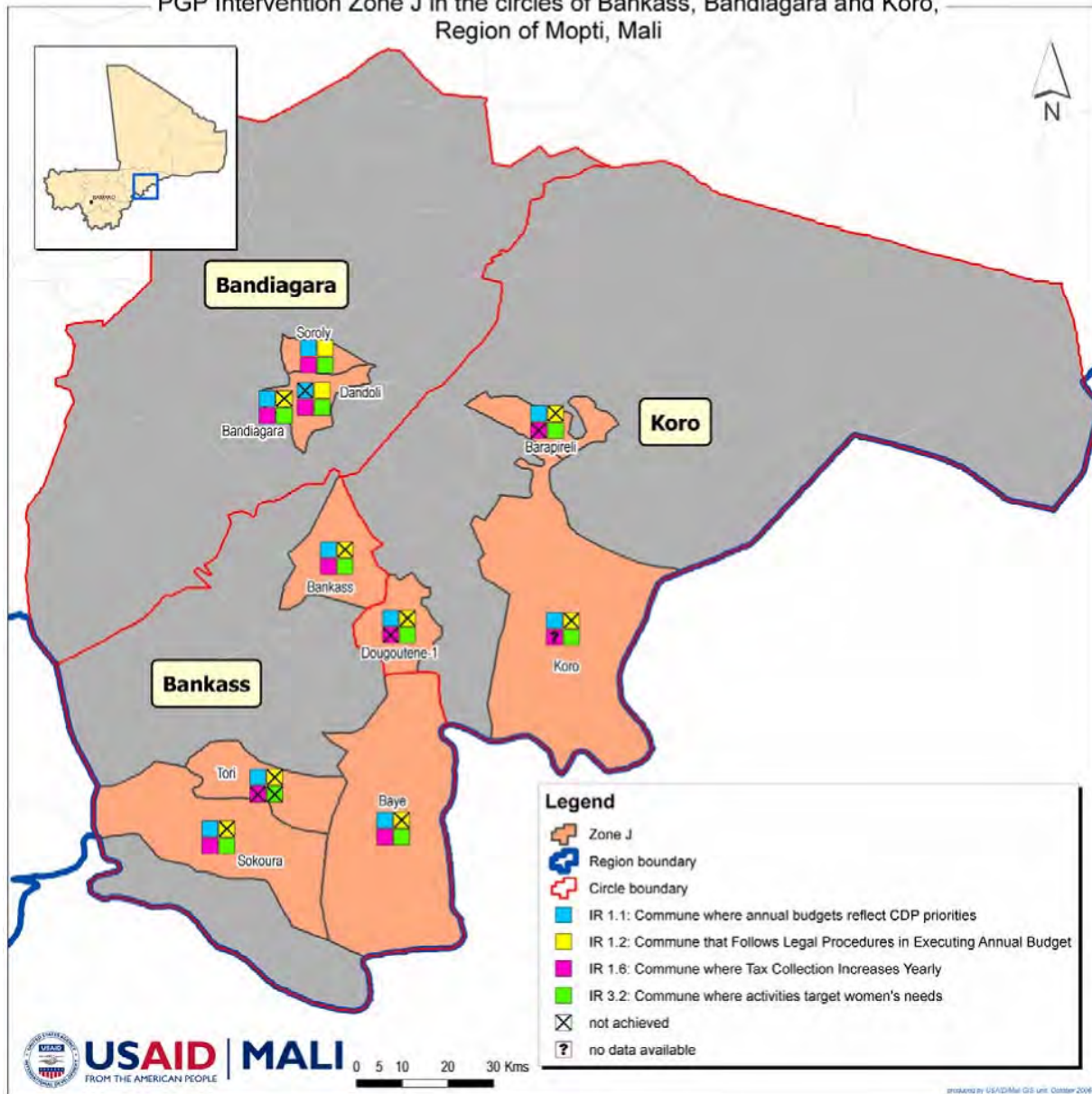
PGP Intervention Zone H in the circles of Macina and Niono, Region of Ségou, Mali



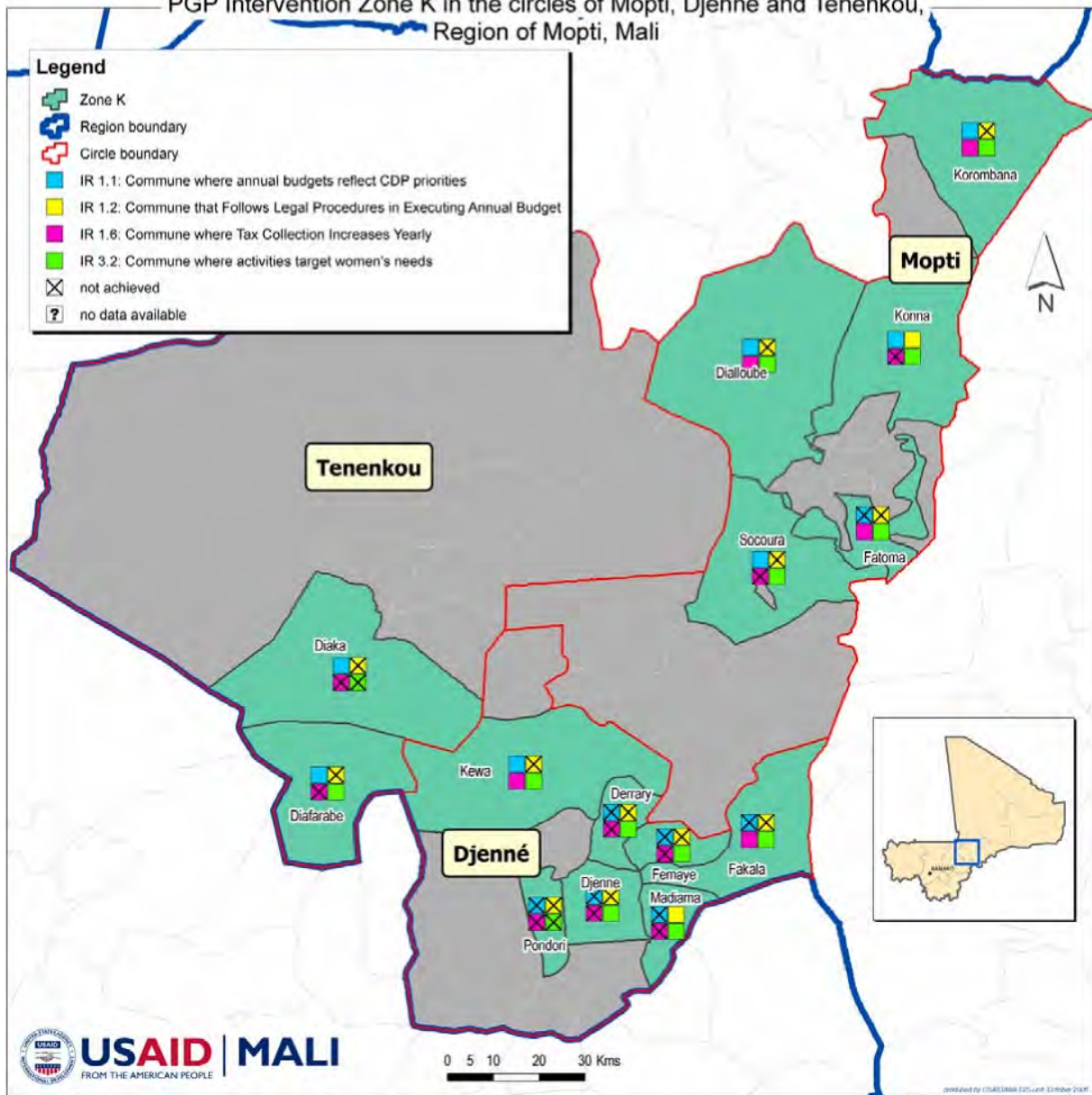
PGP Intervention Zone I in the circles of San and Tominian, Region of Ségou, Mali



PGP Intervention Zone J in the circles of Bankass, Bandiagara and Koro, Region of Mopti, Mali












PGP Intervention Zone K in the circles of Mopti, Djenné and Tenenkou, Region of Mopti, Mali

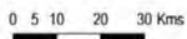
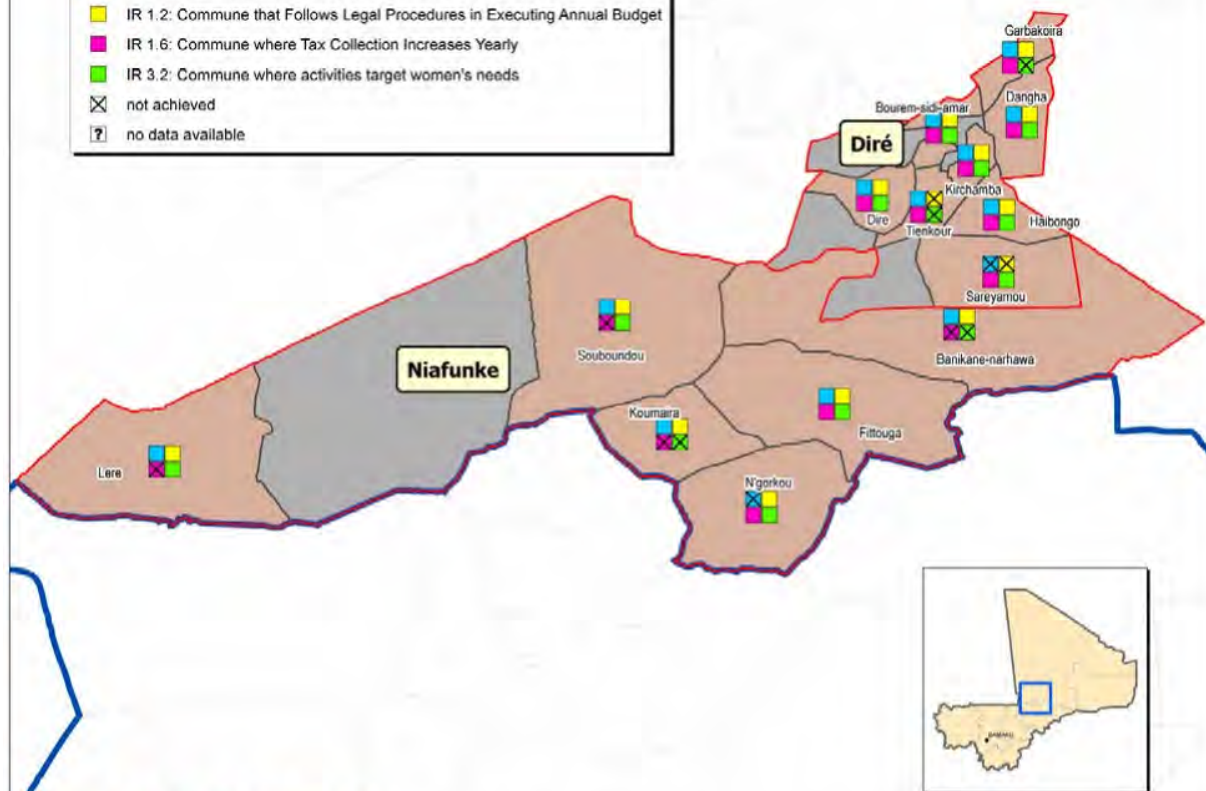


PGP Intervention Zone L in the circles of Niafunke and Diré,
Region of Tombouctou, Mali

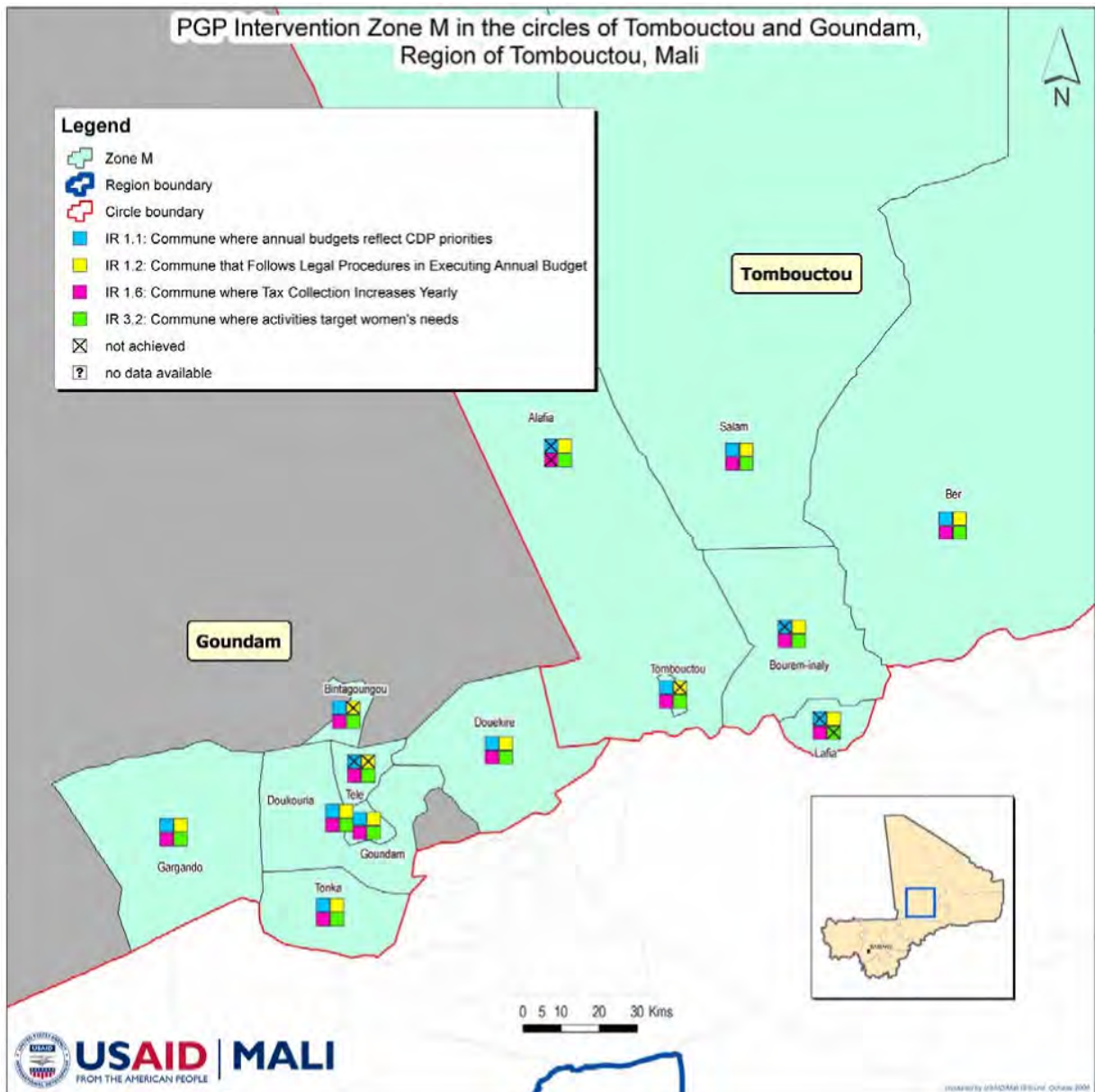


Legend

-  Zone L
-  Region boundary
-  Circle boundary
-  IR 1.1: Commune where annual budgets reflect CDP priorities
-  IR 1.2: Commune that Follows Legal Procedures in Executing Annual Budget
-  IR 1.6: Commune where Tax Collection Increases Yearly
-  IR 3.2: Commune where activities target women's needs
-  not achieved
-  no data available



prepared by USAID/Mali (EUSAID) 23 June 2005



PGP Intervention Zone N in the circles of Kidal (region of Kidal), Gao and Ansongo (region of Gao), Mali

