Forty Years of USAID in Mali (1961-2000)

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THE EARLIEST YEARS (1961-1968)

Anxious to rejuvenate and develop its economy along socialist lines, the Government of the Republic of Mali (GRM) set out on an ambitious program following independence in 1960. The size of the government was expanding, with a good number of state enterprises, mostly in trade, manufacturing and transport, being established. Furthermore, most of the country's banking activities, foreign trade, and large industrial concerns where taken control of by the state as well. Price controls were introduced, with private merchants being severely limited and grain prices fixed at low levels. The urban areas were to be fed by the rural economy at low prices in order to keep down industrial wages and produce crops that would originate the foreign exchange needed for capital imports.

In an effort to gain economic independence, Mali seceded from the Franc Zone and the West Amcan Monetary Union in 1962, and formed its own central bank. After a gradually worsening external financial position, Mali was readmitted into the Franc Zone with France's strong suggestion that the GRM rearrange state companies, liberalize trade, and curb state expenditure. By the end of the decade, Mali found itself in a condition of economic disarray. Public enterprises were inadequately managed and the wished for surpluses never developed. All in all, the agricultural cooperatives were not successful mostly because the traditional community and family continued to function as a social and economic system. Furthermore, overall production grew insignificantly as price incentives were small. Modibo Keita and his civilian government were dethroned in 1968 and replaced by a military committee.

Economic assistance from the US to the GRM originated in 1961, and was controlled by a bilateral Mission until 1968. Due to political uncertainties in Mali and the already considerable aid from other sources, USAID's assistance program was small and limited in scope. USAID's simple strategy was aimed at moderating the socialist leanings of the GRM through bilateral and regional programs, and encouraging cooperative efforts between adjacent states and other Western donors. Three areas of focus were used: food production, education and training, and rural infrastructure.

After a 1966 reassessment of the US economic assistance policy in Amca, results indicated the need for an increased emphasis on the long-term nature of assistance; in other words, a change to a regional and multinational project execution plan. This would involve more coordination among other aid sources; support and encouragement from countries with conceivable development prospects; and country development support programs concentrating in certain economic sectors.

A TIME OF TRANSITION (1968-1974)

With a new government established, the socialism ofthe 1960's was abandoned and in turn replaced in 1970 by an economic and financial rehabilitation program that brought the balance of payments into equilibrium and extracted the budget deficit of the government.

In order to increase government revenues, the moderation of trade controls, along with the reducing of customs duties on imports and exports and the resulting expansion of foreign trade all helped. Furthermore, built to replace a private trade network, the cooperative system was de-emphasized, and the GRM made significant efforts to broaden food and export crops through area-specific projects called "operations." The intent of these operations was that they were to eventually turn into full-scale rural development projects including cooperatives, credit, and extension services for market supply and incentive support. However, constant trouble with payment difficulties from high transportation costs, extreme dependence on imports, and reliance on primary products for most export earnings eclipsed the economic outlook and made it obvious that the GRM was far from its proposed recovery objectives. International inflation, the precipitous rise of energy and other import prices, and a lengthened and severe drought further exasperated the weaknesses of the economy.

In establishing the Organization of Senegal River States (OERS), Mali joined Guinea, Mauritania, and Senegal in April of 1968. This regional assortment intended to facilitate the exploitation of each member/country's resources: refine economic relations between members, develop linked development projects, and coordinate river and land transport. Due to the collapse of the OERS (conflict between Guinea and Senegal), Mali then joined the Senegal River Development Organization (OMVS), which was founded in 1972 to supersede its predecessor. The OMVS was handed the responsibility for the conceptualization, coordination, and implementation of projects to develop and use the resources ofthe Senegal River Basin within the limits of the three member states (Senegal, Mauritania, and Mali).

Economic assistance to Mali was managed by the AID Regional Office in Dakar from 1968 to 1974. This included administering activities that were started during the previous period and classifying projects of a regional nature in which Mali could partake. The US contributed large quantities of Emergency food assistance to Mali, as well as undertaking Relief and Rehabilitation activities during the Sahel drought years of 1973-75. Due to problems from trying to control the USAID program from outside the country, in 1974 a Country Development Office (CDO) was created in Bam.?lco. The CDO was simply created to terminate projects initiated in the first period, develop on-going activities, and to begin a transitional program aimed towards long-range development goals.

A fundamental change in US foreign aid policy was legislated by Congress in 1973. According to the New Directions Mandate, AlD was to concentrate on helping the rural poor rather than on providing general assistance directed at augmenting overall economic development.

Responding to the human suffering and hardship of the protracted drought of 1968-74, the Sahelian relief effort led donors and Sahel states into considering planning a comprehensive long-term Afiican Sahel Development Program in order to promote regional economic viability. This covenant thus gave way to two institutions: the Permanent Interstate Committee for Drought Control (formed in March 1973) and The Club des Amis du Sahel (formed in March 1976). Both institutions were formed for different purposes, however; the CILSS was established to coordinate relief and recovery efforts, whereas The Club des Amis du Sahel was created as a consultative group of donors preoccupied with long-term regional development. They felt that no single donor could provide all the assistance needed, and that the only way to meet basic needs for food and development was to update food production, save rangelands, and develop brand new farming systems (food with cash crops, as well as mixed farming with livestock).

Without a doubt, regional cooperation was a somewhat new concept and experiences in designing and executing programs that demanded well-orchestrated coordination was clearly limited. Attempts by USAID to complete New Directions and CILSS/Club goals become clear in the wide variety of new projects begun during the next stage, Period Three.

THE GREAT DROUGHT (1974-1978)

Considering the economic and financial refonn program of 1970-1973 as fairly successful, the GRM applied it to its 1974-1978 development plan. The main strategy accepted agricultural production and reconstitution of cattle herds to maintain food selfsufficiency, to produce adequate supplies of raw materials for processing industries, and to guarantee increasing export of primary products (groundnuts, cotton). Large investments were advocated by the GRM, as well as water/energy resources in order to provide the groundwork for the extension of primary and secondary sectors of the economy. Food engendering was viewed as the basis on which to construct an economic development program and infrastructure investments were remarked as crucial for an economic discovery. However, institutional refonn strategies to accommodate internal price policies to foodcrops and state manufacturing enterprises were lacking, and as a result the GRM's ability to execute projects that could meet the stated long-tenn development objectives remained strictly limited.

The new policy direction initiated by AID was persuaded by unsteady political situations within Africa, a changing international economy, a New Directions Mandate to approach the poor majority, and the drought. There was a strong accentuation placed on an integrated approach to handling with fundamental, multifarious problems. Regional experiments would be balanced by bilateral programs, especially where local national programs could furnish resources, training sites, and delivery systems. The equality between multidonor, regional, and bilateral area-specific programs was to provide longrange development that would support self-sustaining growth.

Working together, GRM and AID fonned a cooperative Development Assistance Plan that stressed livestock, agriculture, health and human resources, with an emphasis on sector level policy, area development progra'TIS, and maximum application of Malian skills. Integrated rural impact programs, training, and research and extension were all part of an extensive humanitarian/development packet directed at improving the standard of living of the poor majority.

THE BEGINNING OF REFORM AND USAID EXPANSION (1978-1982)

During this period, economic growth in Mali was inconsistent and insufficient, according to the continued reoccurrence of drought conditions, extreme financial debts induced by state organizations, and unmanageable rural development organizations. All of these contributed to steadily increasing budgetary deficits, procrastination in paying public employees, and regressing government services.

Similar to the 1974-78 Plan, the GRM Five Year Plan (1981-85) emphasized improvement in rural conditions based on food self-sufficiency, development of transportation channels, and industrialization. Expanding agriculture production was to be the main focus of accelerated economic growth, which required expansive reforms in the GRM policies relevant to production incentives, state enterprises and public funds.

The importance of production incentives and the need for greater farmer involvement in rural development implementation was further stressed by a 1982 Food Sector Strategy document, which set forth a synthesized and operational approach.

GRM efforts to lessen state control over the economy and to promote greater private sector participation were supported by USAID and other foreign donors. Mali began discussions with France in 1981 on rejoining the West Afucan Monetfu)' Union, and the next year the GRM acquired a one-year standby loan from the IMF, which further specified reform of public finances.

Furthermore, as a special feature of the US Foreign Assistance Act in 1978, the Sahel Development Program (SDP) was formed. Its purpose was to provide funding for the seven countries bordering the Sahara Desert: Senegal, Mauritania, Burkina Faso, Niger, Chad, The Gambia, and Mali, along with the Cape Verde Islands. Based on regional cooperation among the Sahel States (CILSS) as well as outside cooperation with the donor community (Club du Sahel), the SDP was intended to supply sectoral inputs, which would counterpart those of other donors.

This period was viewed by USAID as a time of transition from stressing program development to one of project execution and assessment. It was quickly observed, however, that expansion efforts were not transferring appropriate technologies to farmers. Furthermore, executive limits in accounting, financial and personnel guidance, smothering food grain pricing and marketing systems, insufficient physical infrastructure, and ineffective economic and institutiona: Sj E;cems slowed down progress greatly. With a move to limit new project starts, arrange projects sectorally and geographically, expand management of similar technical assistance and training, and correct Malian and USAID

Assessment, Revision, then Accomplishment (1982-1987)

AID completed an evaluation of the long-tenn development plan in the Sahel in 1984. Indicated by the examination was that a more concentrated program would augment benefits from development resources. As a result, AID started to break down the range of activities under the Sahel Development Program, and seceded from sectors where qualification or direction ability had been restricted

Furthennore, AID's modified strategy was directed to increase the efficiency of the SDP, clarify and reorganize country programs, and diminish financial and administrative pressures on the Sahel countries. With all these changes, a better atmosphere for development programs through economic stabilization and refonn, enhanced agricultural output, and human resource development would thus evolve. Also, policy refonn strategies were associated with project compensation by USAID in an effort to answer AID/W's extensive policy objectives, to preserve consistency with the GRM plans, and to counter other donor efforts.

All in all, the Mission has molded plans escalating policy refonns influencing rural producers, the private sector, and the effectiveness of public organizations; increasing food safety through strengthening establishments for agricultural expansion, studies, and education and family planning programs; and enhancing project administration and development planning through expansive training programs. The overall basis for a comprehending development program is granted by cultivating strategies, eliminating obstacles blocking strategies from becoming viable programs and projects, and connecting sector activities with the goal of increased food generation.

The Turbulent Years around the Revolution of 1991 (1987-1994)

In the meantime, most ofthe first generation projects were terminated due to a project assistance completion date or for reasons of mismanagement (Operation Mils-Mopti, Action Ble Dire). However, the survivor projects like CVL (Central Veterinary Laboratory) and the DHV (Developpement de la Haute Vallee) were strengthened and redirected towards private sector needs.

Between 1980 and 1994, the Government of Mali had demonstrated its capacity to undertake policy reforms in the economic and financial sectors to revive and improve the impact of development efforts.

The monopoly of the public sector on cereals marketing was eliminated, govemment parastatals were privatized, more responsibilities were handed to farmers and the private sector had regained confidence and momentum.

The revised USAID programs had been redirected to match renewed govemment strategies and policies and to complement other donors' development efforts.

A More Strategic Perspective (1994-Present)

As an experimental lab, USAID/Mali launched its reengineering effort in December of 1994. After several retreats and numerous brainstorming sessions with partners and shareholders, a strategic plan was finalized in August 1995.

A deep restructuring process was then undertaken in establishing terms to replace Divisions and to rebaptize positions and establish new personnel classifications. The Vision statement agreed upon was More Mali, Less Aid. The goal statement was Mali achieves a level of sustainable economic, political and social development that eliminates the need for concessional foreign assistance.

The four Core values are:

- Customer focus

- Results orientation

- Participation and teamwork

- Empowerment and accountability

Initially, four Teams were created to carry out the four Strategic Objectives and those teams are:
- The Youth Team - The Sustainable Economic Growth Team - The Democratic Governance Team - The Infonnation and Communication Team (also called Special)

The Bottom Line

Since Mali became a multiparty democracy in 1992, USAID has seeked to refine economic growth by increasing private sector investment, particularly in agriculturalbased activities; and the condition and delivery of health care, family planning, and educational programs.

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