

Ex post evaluation

Municipal development and decentralisation, Mali

Title	Municipal development and decentralisation (PACT I, PACT II, PACT II basic and advanced training)		
Sector and CRS code	Democracy, civil society and public administration (CRS code: 15112)		
Project number	2001 65 522, 2007 65 396, 1930 03 779		
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)		
Recipient/Project-executing	Republic of Mali represented by the Ministry of Foreign Affairs/ANICT		
Project volume/ Financing instrument	PACT I: EUR 5.1 million, PACT II: EUR 10.6 million, basic and advanced training measure: EUR 1.1 million (all grants)		
Project duration	2003–2016		
Year of report	2022	Year of random sample	2021

Objectives and project outline

Together with other donors, the project supported the Malian investment mechanism “Fonds National d’Appui aux Collectivités Territoriales” (FNACT) of the “Agence Nationale d’Investissement des Collectivités Territoriales” (ANICT). While PACT I financed investments in the Ségou and Koulikoro regions, the regional focus in PACT II was lifted and additional capacity-enhancing measures were promoted both via the FNACT and through a basic and advanced training measure.

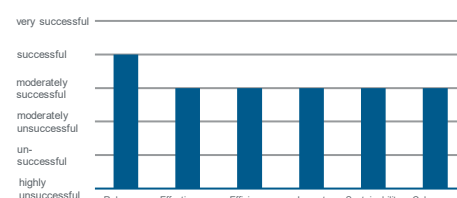
The objective at outcome level was to enable the regional bodies in the programme regions to exercise the competencies assigned to them as part of the decentralisation policy (provision of social, economic and public infrastructure). The objective at impact level was for the regional bodies to fulfil their mandate for local development and also to improve the living conditions of the population in the programme region (dual objective).

Key findings

The project pursued relevant objectives and had an impact at local level with compromises in terms of efficiency and sustainability. For the following reasons, the project is rated as having been moderately successful:

- The approach was suitable to support the decentralisation process in Mali in line with other donors; however, the initial regional limitation hampered ANICT’s mandate to ensure that development was balanced throughout the country.
- The dual objective only came into full effect in the second phase.
- In terms of coherence, the project benefited from close cooperation between Financial and Technical Cooperation; however, this was offset by weaknesses in donor coordination.
- The infrastructure was identified participatively in the territorial authorities and used intensively (effectiveness); however, the programme was too small to have a broad developmental impact.
- Operation and maintenance are a major challenge due to the weak capacity of regional bodies, which has not yet been sufficiently addressed.

Overall rating:
moderately successful



Conclusions

- The FNACT was a key driver in the Malian decentralisation process. However, the impact of such an investment mechanism depends on a high level of commitment from the donor community. Following the withdrawal of several donors, it is now necessary to restore the trust of the partners in order to ensure effective support for decentralisation in Mali in the future.
- Economic infrastructure played a minor role in the project, but helped to generate income for the financially weak regional bodies. A stronger focus on this could have helped to cross-subsidise the operation of the social infrastructure. This approach can also be useful in other local development projects with operational challenges.

Rating according to DAC criteria

Overall rating: 3

Ratings:

Relevance	2
Coherence	3
Effectiveness	3
Efficiency	3
Overarching developmental impact	3
Sustainability	3

Breakdown of total costs

		PACT I (planned)	PACT I (actual)	PACT II (planned)	PACT II (actual)	PACT II - Basic + adv. training (planned)	PACT II - Basic + adv. training (actual)
Investment cost	EUR million	6.180	8.663	12.400	18.110	1.200	1.197
Counterpart contribution	EUR million	1.067	3.550	1.400	7.484	0.066	-
Financing	EUR million	5.113	5.113	11.000 ¹	10.626	1.200	1.197
of which budget funds	EUR million	5.113	5.113	11.000	10.626	1.200	1.197

1) 8.0 million basic financing and 3.0 million increase.

Relevance

Although decentralisation was already enshrined in the 1992 constitution in Mali, this process was still in its infancy at the time of the appraisal of PACT I in 2002. The transfer of key competences in the areas of health, education, water and taxes to the regional bodies (including local authorities, districts, and regions)¹ generated high expectations among the population, as there was a general lack of basic social infrastructure. However, the legal transfer of responsibilities was not accompanied by a consistent transfer of funds to the regional bodies. Moreover, as opportunities to mobilise own resources through local taxes were very limited, regional bodies were unable to fulfil their local development mandate independently. Moreover, regional bodies did not always have adequate administrative and technical competences to perform their full role. This concerned, in particular, direct building ownership and compliance with certain legal requirements, such as the regular holding of meetings of the council of the regional body and transparency and accountability obligations. The skills deficit had a negative impact on the quality of the infrastructure built and also contributed to the failure to establish a culture of good governance at local level. This can still be observed today. Similarly, the problem of scarcity of funds is still relevant, as only 20% of government budget revenue is currently channelled to regional bodies, which can be considered insufficient given the high demand for basic social infrastructure.

To meet the challenges described and ensure the sustainability of the decentralisation process, the “Fonds d’Investissement des Collectivités Territoriales” (FICT) was set up in 2000. Its administration has been delegated to the “Agence Nationale d’Investissement des Collectivités Territoriales” (National Investment Agency for Territorial Authorities, ANICT), which reports to the Ministry of Territorial Administration and Decentralisation. The FICT’s core task was to allocate subsidies to the regional bodies for the

¹ Mali is currently divided into 10 regions and the Bamako capital district, which in turn consist of 56 second-level administrative units, known as cercles. The cercles consist of 703 communes as the smallest administrative units.

implementation of infrastructure investments in the form of drawing rights.² In 2007, FICT was converted into the “Fonds National d’Investissement des Collectivités Territoriales” (FNACT), which also allocates technical assistance and carries out other measures to strengthen regional bodies.

This results logic is plausible from today’s perspective. The performance-based provision of funds for the financing of self-selected projects was intended to enable regional bodies to adequately fulfil their core mandate, namely the provision of infrastructure. The focus was on social infrastructure in the areas of education, health and water supply. Administrative and economic buildings such as markets should also be financed. The prioritisation of relevant infrastructure took place in a participatory procedure in which plans for social, economic and cultural development (“Plans de Développement Social, Economique, et Culturel”, PDSEC) of the regional bodies were identified with the involvement of the population. This mechanism should ensure that urgent local needs are addressed. The preparation of the plans also involved coordinating the relevant ministries in order to avoid duplication. A high level of ownership of the regional bodies for the infrastructure projects should be ensured through a counterpart contribution. In retrospect, however, sustainability aspects such as operation and maintenance could have been given even greater consideration when selecting infrastructure.

As a tool, the FNACT was basically appropriate for the goals. By paying into this fund and regularly topping it up, German Financial Cooperation (FC) has supported the establishment of a viable system for the transfer of financial resources to regional bodies through the PACT projects. This is in line with Mali’s national decentralisation policy and the African Charter on Values and Principles of Decentralisation, Local Governance and Local Development ratified by Mali. The Malian government’s efforts to achieve a harmonised financing structure were also supported in this way. The FC also contributed to the consolidation of FNACT and enabled ANICT to establish itself as a key player in the decentralisation process in Mali.

The approach of the PACT projects has been adapted over time to the changing situation. The PACT I project limited the financing to infrastructure investments in the Ségou and Koulikoro regions in order to build on the experience of German development cooperation (DC), in particular technical cooperation (TC) on the ground. Although this is understandable from the perspective of making the project a success, the regional focus made it difficult for ANICT to balance its work, especially since most other donors of the FNACT also demanded regional or sectoral use of their funds and justified this with the need for visibility and traceability. As the Malian state had difficulties in compensating for the deficit in the underserved areas with own resources, the risk of the imbalanced development of the country was increased. From this perspective, it was logical that the regional focus was removed in the second phase of PACT and funding was made available for projects throughout the country to counteract the political unrest in the wake of the Tuareg rebellion of 2006. The northern regions of Kidal, Gao and Timbuktu were given particular consideration due to their critical security situation. While most projects continued to be located at local authority level, a slightly stronger focus was placed on projects in the regions and larger cities. In response to the increased requirements for ANICT and the weakness of the local authorities, the structural strengthening of ANICT and the regional bodies was also explicitly addressed in the second phase. This was done by paying into the window for capacity strengthening and technical support for the local authorities of the FNACT. In addition, a separate basic and advanced training programme was financed, which provided for training of ANICT and its regional antennas as well as training of the regional bodies in their role as developers and operators of the FNACT-financed infrastructure. Due to the significant deficits in this area, it would have been sensible to carry out these measures in the first phase of the programme.

The objectives of the programme and the project approach are still relevant from today’s perspective. The dual objective is central to this, which includes strengthening regional bodies (institutional level) and improving local living conditions (material level), as the former is a prerequisite for providing the relevant infrastructure. However, the double target was only adequately reflected in PACT II.

² The volume of drawing rights granted to each regional body is determined by an index which first takes into account situational criteria (population of the regional body, distance from major urban centres, etc.) and then includes performance criteria (regular organisation of meetings of the council of the regional body, respect for the principles of accountability and transparency, etc.).

In summary, the relevance of the projects is rated as high due to the relevant target with minor conceptual weaknesses.

Relevance rating: 2

Coherence

With regard to internal coherence, it should be noted that the FC measures PACT I and II were part of the DC programme of the same name, which was aimed at promoting decentralisation and good governance in Mali. The aim of the programme was to strengthen the Malian state's capacity to mobilise finance, regional economic development and provide basic public services in the regional bodies. This programme created a number of synergies in the FC sector. For example, based on experience with the measure "Water Supply in Rural Towns, 2nd Region" (BMZ No. 1997 65 264), KfW agreed with ANICT on a number of preconditions for the construction of water supply systems under the PACT to ensure sustainable operation.

In addition, close cooperation between Financial Cooperation and Technical Cooperation (TC) took place within the programme. While the FC provided financial support for the FNACT for the construction of basic social infrastructure via the PACT projects, the TC provided advisory support for the Ministry of Territorial Administration and Decentralisation and organised targeted measures to strengthen the capacities of regional bodies in five cercles of the country, e.g. in the areas of administrative, financial and construction management, archiving and support for the building owner. Interviews with GIZ employees showed that the support provided by development assistants from the former German Development Service in the former municipal advisory centres of Kati and Ségou enabled the regional bodies to prepare financing applications that met ANICT's requirements. In addition, the capacity-building measures (particularly in the area of construction management and project management) enabled beneficiary regional bodies to make more sustainable and better quality investments. The TC also directly contributed to strengthening ANICT itself through an employee placed there.

With a view to external coherence, the FNACT was set up with the aim of bringing together the international donors in this area under a single mechanism, thus harmonising approaches and financing. However, this objective was undermined by the fact that donors partly specified the geographic and sectoral focus of their funds and the application of their own procedures for the respective fund allocations. In addition, several donors have withdrawn from the FNACT over the years, meaning that only four out of the original ten donors are still present today. The reasons include, for example, dissatisfaction with ANICT or a preference for a centralised approach through the Ministry of Finance. The annual meeting of the board of directors of ANICT ("Conseil d'administration") is the only occasion where all donors involved meet, but does not provide a suitable framework to ensure effective coordination. The "Decentralisation and state reform" working group coordinates all donors in the area of decentralisation, but meets only at least once every six months and is also not considered to be a sufficient coordination mechanism by the donors.

The increasing lack of donor harmonisation also meant that measures in the decentralisation sector were not sufficiently coordinated. This includes, for example, the project co-financed by the World Bank, the Agence Française de Développement (AFD), the Netherlands and Swiss development cooperation to provide state resources and decentralisation for improving services and combating COVID-19 locally (PDREAS). It aims to allocate funds to regional bodies on the basis of an assessment of their performance in the areas of governance, provision of services and promotion of local development. Despite the similar approach, however, the financing is not provided via FNACT, which could potentially have realised synergies.

Overall, the fruitful cooperation between the TC and FC (internal coherence) is faced with significantly weaker external coherence due to the lack of donor coordination, meaning that coherence is only rated as satisfactory overall.

Coherence rating: 3

Effectiveness

The objective of the FC measure at outcome level underlying the EPE was: The regional bodies of the programme region are financially and technically empowered in conjunction with the Malian support

system (institutional level) and subsequently provide economic, social and public infrastructure for long-term use by the population (material level) applying the principles of good governance. However, for PACT I, the application of the principles of good governance was not taken into account in the targets, so some indicators aimed at strengthening the capacity of regional bodies are only relevant for PACT II. The target achievement at outcome level is summarised in the table below:

Indicator	Target value at PA	PA status	Status at final inspection	EPE status
(1) The regional bodies actively participate in the municipal financing system FNACT and successfully exercise the drawing rights to which they are entitled.	PACT I			
	100%	0% (2002)	100% (2019)	Partially achieved: Ségou 86.8% Koulikoro: 94.8% (2021) ¹
(2) Improvement in the quality of local governance as measured by the proportion of municipalities A) that hold legally prescribed local council meetings (participation). B) that publish minutes for these meetings in the City Hall (transparency). C) whose local councils carry out annual ex post budget controlling (accountability).	PACT II			
	A) 90% B) 100% C) 95%	A) 56% B) 100% C) 51%	A) 94% B) 100% C) 100%	Achieved: A) 100% ² B) 100% ² C) 100% ²
(3) The quality of the infrastructure financed by the transfer mechanism is good and the investments are used as intended and operated sustainably.				
(3.a) At least 75% of the implemented infrastructure measures were implemented in accordance with the technical and sectoral standards applicable in Mali.	PACT I			
	75%	0%	86%	Achieved: 76.7% ²
	PACT II			
	75%	35%	80–89%	Partially achieved: 54.5% ²
(3.b) At least 75% of the implemented infrastructure measures are used as intended.	PACT I			
	75%	0%	86%	Achieved: 90% ²
	PACT II			
	75%	35%	80–89%	Achieved: 90.9% ²

(3.c) At least 75% of the implemented infrastructure measures are of good quality and have no visible defects.	PACT I			
	75%	0%	86%	Partially achieved: 50% ²
	PACT II			
	75%	35%	80–89%	Partially achieved: 63.6% ²
(4) Increase regional bodies' own resources per inhabitant by 5% per year.	PACT II			
	1,574 FCFA	850 FCFA	1,293 FCA	-

1) Source: Rapport d'Execution Technique et Financiere du FNACT, 2016–2021.

2) Figures are based on a random sample of project sites visited by the local consultant.

As part of the EPE, a local survey was carried out and a random sample of the infrastructure financed by the PACT projects was visited by a local consultant.³ This showed that the regional bodies actively participate in FNACT and exercise their drawing rights (Indicator 1). However, the regional bodies visited also reported some challenges in this regard. These include the sluggishness and complexity of the procedure as well as the provision of funds only in the following year after allocation of drawing rights, which makes planning difficult and delays the start of construction. To counteract this, ANICT organises meetings with local politicians to explain the mechanism. This initiative helped to eliminate misunderstandings and make the financing process more fluid. Another hurdle is the payment of the counterpart contribution, as the regional bodies themselves often do not have a sufficiently strong financial basis to provide it. Some donors took over this share themselves at the beginning, but this undermined the idea of regional body ownership. This prompted ANICT to review and reduce the level of counterpart contribution or to eliminate it entirely for social infrastructure. Nevertheless, the problem of a shortage of funds remains partially unresolved.

A total of 583 infrastructure projects were financed via PACT I and 467 via PACT II. At all locations visited as part of the EPE, the local development plans were developed as planned via a participatory process. Similarly, the pertinent procedures were consistently followed: Municipal council meetings were held, minutes of the meetings were published and annual ex post budget controlling was carried out by the municipal council (Indicator 2). The selection of the infrastructure actually financed from the list drawn up within the framework of the PDSEC took place mostly in meetings of elected representatives without direct public involvement, which was criticised in individual cases. Nevertheless, the projects selected in this way were considered very relevant by the local stakeholders.

All of the buildings visited were constructed as planned and accepted. Local stakeholders interviewed (local politicians, local residents and representatives of civil society) rated the quality of most buildings as satisfactory upon acceptance, but in some cases acceptance took place in spite of obvious deviations from the specifications (e.g. missing ceilings and no electricity in school). Since it was usually not possible to view the corresponding specifications, it was not possible to carry out a detailed assessment of compliance with technical standards during construction during the local survey. However, according to the assessment of the local consultant, only approx. 58% of the buildings visited met the relevant standards (Indicator 3a). The lack of quality was due to various factors: At that time, as now, ANICT lacks the

³ A total of 15 regional bodies in two regions (Ségou and Koulikoro) were visited by the local consultant and 34 projects were inspected. In addition, due to the security situation, online interviews were conducted from Bamako in three regional bodies in three regions (Gao, Mopti and Timbuktu). The survey covered all accessible regions, regional body types (5 regions, 4 cercles and 11 municipalities) and infrastructure types (social, administrative and economic).

technical and human resources to regularly monitor investment measures, local service providers are sometimes unable to meet the relevant requirements and the regional bodies exhibit significant weaknesses in building ownership.

Almost half of the infrastructure visited in the EPE showed significant shortcomings (Indicator 3c). This was demonstrated, for example, in the form of cracks in the building fabric and other damage due to material defects. In about one third of the cases, deficiencies in the equipment were identified. There were also significant deficiencies in maintenance. For example, classrooms were dirty and toilets were not fully functional. Interviews also revealed that a lack of suitable staff (teachers, nurses, etc.) often presented a challenge to proper operation. In some cases, local communities of interest formed to ensure operation themselves. Despite these problems, the use of the infrastructure was high, especially since in most cases there were no alternative options at the location (Indicator 3b). According to interviews, the provision situation in many regional bodies has improved significantly and the improvements have been received very positively by the population. There was also no evidence that individual groups were excluded from using facilities. In some cases, however, the difficult security situation prevented the infrastructure from being used adequately. For example, the operation of one school in the random sample was temporarily suspended due to the threat of terrorism.

The basic and advanced training programme was implemented as planned and the indicators, which were actually located at output level, had already been achieved at the time of the final inspection. For example, staff from over a third of Ségou's regional bodies and over 90% of the ANICT staff at the time had attended training courses. In addition, three exchanges of experience between ANICT and other municipal development funds were organised and a guideline for the assessment of project applications drawn up. However, it remains unclear which measures were implemented via the FNACT window for capacity strengthening and technical support, as there is no evidence of the use of funds here. A review of the success of the measures in terms of increasing capacity is also challenging due to the interventions that in some cases took place over ten years ago. Where measures had been implemented, however, they were predominantly rated positively. In one case, for example, the development of a regional development strategy was supported with 37 projects and feasibility studies, which led to the conclusion of two funding agreements with the EU. Due to the high staff turnover, there were hardly any participants in the training courses from the basic and advanced training programme in the regional bodies visited. The impression emerged that there was no mechanism for the systematic transfer of knowledge at the level of regional bodies and that the "train-the-trainer" approach was at least not sustainably institutionalised. Similarly, representatives of ANICT doubted that the training and study trips had led to a sustained strengthening of the organisation.

While no further data has been available since the final inspection to increase the municipalities' revenues, local stakeholders reported that although their capacities were partially strengthened in this regard, there were still significant barriers to tax collection (Indicator 4). These include a lack of willingness among the population to pay taxes, a lack of information about the tax system, the acute security situation and, more generally, the poor economic situation. In some cases, economic infrastructure such as markets contributed to the fact that regional bodies were able to increase their income base somewhat. However, due to their small size, the few economic infrastructures realised only contribute relatively low sums.

Overall, there is a mixed picture for target achievement at outcome level. This is therefore rated as satisfactory.

Effectiveness rating: 3

Efficiency

Both phases had longer terms than planned (Phase I: five instead of three years, Phase II: seven instead of three years). This is largely due to the volatile political situation in the country. In the case of PACT I, the project start was initially delayed by nine months due to the awarding procedure for the consultant. The FC funds were then disbursed almost as planned until 2006. However, seamless connection to Phase II was difficult at the time due to the Tuareg rebellion. Phase I was finally extended thanks to Malian own funds until PACT II could be implemented with new FC funds in 2009. The 2012 coup d'état took place during the implementation period of PACT II, as a result of which German Financial Cooperation in Mali was temporarily suspended. Another reason for the extension was a EUR 3 million increase in funds

to put a particular focus on the northern regions. The basic and advanced training programme was also delayed by several years.

Overall, implementation efficiency was low. Some of the processes involved in the mobilisation of funds and the implementation of infrastructure are inefficient. Regional bodies lack the capacity to submit reports and documents correctly, leading to delays in the approval of funds. In addition, there were significant compliance problems in the project. Firstly, there are some doubts about the proper award of contracts at local level, and during the EPE local stakeholders expressed suspicions about deals between representatives of the regional bodies and contractors. This applies in particular to financially weaker regional bodies in rural areas and was also criticised in an independent audit report. Secondly, an audit of the use of funds in 2015 revealed significant shortcomings, such as the implementation of a deep well project against KfW's explicit objection and an incorrect calculation of ANICT's management fee, which resulted in a significant repayment claim.

A sound assessment of production efficiency specifically for the FC-financed projects is challenging, as the exact use of the funds cannot be traced in detail within the scope of the EPE. However, evaluations of the GK projects by the "Mission de contrôle externe des investissements des collectivités territoriales" (CICT) have come to the conclusion that a discrepancy between the construction costs and the actual equivalent value occurs relatively consistently in about 50–60% of all infrastructure financed through the FNACT. The above-mentioned audit report also found that the implemented infrastructure did not correspond to the available planning documents in many cases. In addition, there is no evidence of the use of funds for payment into the FNACT capacity strengthening and technical assistance window for municipalities, so it is unclear whether the services were provided at a reasonable cost. Irregularities in the use of the funds were extensively addressed as part of the audit, following which corrections and compensation payments were made by the Malian state.

The approach of implementing the funds through ANICT can be assessed positively from the perspective of allocation efficiency, as it was a relatively high-performing organisation within the context of Mali and pooling with funds from other donors was possible, especially in the initial years. The management fee for ANICT was relatively low at 2.49% (PACT I) and 2.53% (PACT II). However, the small size the financed projects must be assessed critically. Since the amounts were distributed to a very large number of regional bodies, it was mostly only possible to implement small projects, while larger economic infrastructure in particular was not built (12% economic infrastructure in PACT I and 9% in PACT II). However, this would have had the potential to structurally improve the financial situation of the regional bodies through increased economic activity, which in turn would have strengthened them in the provision and operation of social services.

The projects had to contend with challenges in terms of allocation and production efficiency, but these were also due to the difficult context. Overall, however, the efficiency is still rated as satisfactory.

Efficiency rating: 3

Overarching developmental impact

The overarching development objective (impact) of the project underlying the EPE was for the Malian regional bodies to exercise their mandate for local development by strengthening their capacities and thus improve the living conditions of the population. The achievement of the objective can be summarised as follows:

Indicator	Target value at PA	PA status	Status at final inspection	EPE status
(1) FNACT financial resources	Continual increase	EUR 18,167,575 (2002)	EUR 45,406,433 (2019)	Achieved: EUR 68,349,175*
(2) Improvement in literacy rate (differentiated by gender).	-	16% (2003) (female)	22% (2016) (female)	20% (2020) (female)
	-	33% (2003) (male)	45% (2016) (male)	40% (2020) (male)
(3) Reduction in infant mortality (per 1,000 live births).	-	96 (2002)	60 (2019)	59 (2020)
(4) Increased satisfaction with the municipal council.**	-	44% (2005)	63% (2017)	48% (2021)

*)With an increase in funds of 69% compared with the previous year, the year 2021 represented an outlier. This was partly due to the transfer of unspent funds from 2020 to the following year.

**) Source Afrobarometer: Proportion of positive responses to the question "Are you happy with the performance of the following people in the last 12 months? Your municipal council".

The FNACT's financial resources have increased significantly over the last two decades and stabilised at a relatively high level. The increased volume of drawing rights directly strengthens the financial capacity of regional bodies so that they can better perform their mandate. The withdrawal of some donors has been offset by increased contributions from other partners and the Malian state. However, it is unclear as yet whether the level of previous years can be maintained in view of the withdrawal of AFD in 2022. The other impact indicators paint a mixed picture of the provision situation over the course of the Malian decentralisation process. Although the steady reduction in infant mortality indicates improved health care, it is alarming that the literacy rate has reduced again after a significant increase in recent years and is at a very low level, especially for women. This once again illustrates the high relevance of the financed infrastructure. Satisfaction with the work of the municipal councils initially rose significantly in spite of the heightened security situation, which is an indication that they are exercising their new responsibilities well from the perspective of residents. However, the level has fallen again in recent years, possibly due to political turbulence. The contribution of PACT projects to development at national level cannot be clearly determined. As no regionally disaggregated data is available, the evaluation of the overarching impact is primarily qualitative.

By paying into the FNACT, the PACT projects have made a decisive contribution to the decentralisation process. This ensured that there was a mechanism to finance and technically support infrastructure in line with the needs of regional bodies and local users. The success is also reflected in the fact that local stakeholders rated ANICT as a highly reliable partner in interviews and preferred it as a donor to the Ministry of

Finance. However, it also became clear that ANICT lacks the funds and staff to adequately fulfil its mandate and, for example, to guarantee follow-up of the financed infrastructure.

The FNACT financial contribution made it possible for the regional bodies to provide their residents with urgently needed basic infrastructure such as schools, health care centres and drinking water supply. The facilities covered essential needs and might not have been established at all or only at a later stage without the funding from the PACT projects. In most cases, there was no alternative or only very dilapidated social infrastructure at the locations visited as part of the EPE, which did not permit adequate and secure use. For this reason, it was sometimes necessary to travel very long distances to visit schools, hospitals or drinking water points. Women in particular suffered from this situation, as they have traditionally been in charge of collecting water, already have difficult access to school education and are particularly dependent on adequate health care during pregnancy. The local survey confirmed that the PACT-financed social infrastructure partially initiated a transformational change at local level. The newly built facilities were used intensively and led to a significant improvement in the living conditions of the users. However, this effect generally remained limited due to the usually small size of the interventions. For example, only very small schools with a few classrooms which could cater for a small number of pupils were built. Likewise, the newly created economic infrastructure such as livestock markets increased economic activity and generated income for the regional bodies in individual cases. However, the number and size of these projects was too small to trigger tangible local economic development momentum.

Success in strengthening regional bodies in the long term was very limited. Support for regional bodies through the FNACT and the basic and advanced training programme may have supported the immediate implementation of the financed infrastructure, but did not promote sustainable capacity building. To date, mechanisms have been lacking to anchor technical and human competences at the level of regional bodies on a long-term basis.

In view of the successes at local level combined with challenges in terms of increasing capacity, the impact of the projects is rated as satisfactory.

Overarching developmental impact rating: 3

Sustainability

The Malian decentralisation process can largely be regarded as sustainable. It is enshrined in the constitution, is seen as a cornerstone of the country's balanced development and achieving peace, and was also laid down in the 2015 Algiers Peace Agreement. The funds allocated to the process have grown significantly since the establishment of FNACT, although they are still considered insufficient. Intensive donor support helped to accelerate the process at first, but the deterioration in the security situation contributed to a significant slowdown. In view of the crises of recent years, however, decentralisation has moved down the political agenda again and is currently subordinate to security issues.

The institutional sustainability of ANICT is currently unclear. The withdrawal of several donors from the FNACT has significantly weakened the mechanism. This is partly due to dissatisfaction with the way ANICT works and the administration of FNACT, which is also a result of its limited technical and administrative capacity. ANICT faces a certain degree of mistrust from the Malian state over this. The decision, at the request of the World Bank, to no longer include state funds in the ANICT budget since 2020, but in the budget of the corresponding administrative regions, is seen as a negative signal in this regard. While ANICT remains responsible for allocations, it is less flexible in granting compensation from Malian own resources to those regional bodies that are disadvantaged by donor grants. This is interpreted by some actors, and also by ANICT itself, as the first step towards their elimination, but this is denied by the government.

However, prompted by an EU institutional audit in 2017, the organisation is currently in a major reform process, revising structures and procedures and building new capacities. The changes include, for example, a new organisational structure, additional human and logistical resources, the regionalisation of FNACT, and a new focus on climate resilience. Within the framework of the EPE, the impression emerged that the weaknesses to date have been identified and, under the aegis of the new director, who has been in office since May 2021, there is a strong desire to improve the technical support for the decentralisation

process. If the reform efforts are successful, ANICT could hold its own as a driver of the decentralisation process and potentially regain the support of other donors.

There are significant shortcomings with regard to the sustainability of the infrastructure. Many of the structures are in an advanced state of disrepair due to insufficient maintenance, and proper operation is often not ensured, even if usage remains high. Although there are committees in the regional bodies to manage the newly constructed buildings (“comités de gestion”), they usually do not have adequate management and operating systems for maintenance. Furthermore, there is a lack of financing for maintenance, as membership fees and the quarterly grants received by the committees from the regional bodies are small and do not permit adequate maintenance. The ability of ANICT and regional bodies to monitor building sites is limited, which has a negative impact on quality and service life. For example, the ANICT Regional Directorate in Ségou has only two inspectors with very limited logistical resources for a total of 126 municipalities, which makes it impossible to check all building sites, even though at least two inspection visits per year and regional body are recommended. ANICT intends to counteract the problem of lack of maintenance in the future with, among other things, stricter performance criteria for awarding financing. Though ideally this step should have been taken earlier. Ultimately, however, the structural financial scarcity of the regional bodies is due to insufficient financial transfers by the government and limited opportunities to raise and collect taxes. As long as no improvements are made here, the sustainability of the built infrastructure cannot be ensured without external support.

Various contextual factors also pose a risk to the sustainability of the financed infrastructure and of FNACT as a whole. In the wake of the global COVID-19 pandemic and the associated lockdowns and concerns about infection, the use of public infrastructure declined. It can be concluded that the financed projects were also affected by this. However, the number of cases is now at a low level and a restriction of public life due to the pandemic can no longer be observed. At political level, diplomatic tensions are currently straining the relationship between the transitional military government and some FNACT donors. This has already led to a withdrawal of French troops and to a temporary suspension of AFD’s participation in FNACT. Further relations also depend on whether new elections will be held as planned in February 2024 and whether a return to constitutional order will be successful. If this process fails, other donors could reduce their involvement and thus weaken FNACT. Moreover, according to reports by the United Nations, the security situation in the country has deteriorated in recent months and could lead to a restriction in the use of the financed infrastructure in the affected areas.

Overall, sustainability is rated as still satisfactory.

Sustainability rating: 3

Notes on the methods used to evaluate project success (rating)

Projects are evaluated on a six-point scale, the criteria being **relevance, coherence, effectiveness, efficiency, overarching developmental impact and sustainability** and a final **overall rating** of the development effectiveness. The scale is as follows:

Level 1	very successful: result that clearly exceeds expectations
Level 2	successful: fully in line with expectations and without any significant shortcomings
Level 3	moderately successful: project falls short of expectations but the positive results dominate
Level 4	moderately unsuccessful: significantly below expectations, with negative results dominating despite discernible positive results
Level 5	unsuccessful: despite some positive partial results, the negative results clearly dominate
Level 6	highly unsuccessful: the project has no impact or the situation has actually deteriorated

Rating levels 1–3 denote a positive assessment or successful project while rating levels 4–6 denote a negative assessment.

The **overall rating** on the six-point scale is compiled from a weighting of all six individual criteria as appropriate to the project in question. Rating levels 1–3 of the overall rating indicate a “successful” and levels 4–6 an “unsuccessful” project. It should be noted that a project can generally be rated developmentally “successful” only if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“overarching developmental impact”) **and** the sustainability are rated at least “moderately successful” (level 3).