

Mid-term evaluation of the third Indicative
Cooperation Programme between the Republic
of Mali and the Grand Duchy of Luxembourg
(ICP III 2015 – 2019)

Phase 2

Executive Summary

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The main aim of the mid-term evaluation of the third Indicative Cooperation Programme between the Republic of Mali and the Grand Duchy of Luxembourg (ICP III 2015 – 2019) is to inform and facilitate the political dialogue between the two partner governments ICP halfway through the ICP III. The "politico-strategic" phase of the evaluation conducted in Mali in November 2018 follows on from the initial technical evaluations carried out in June-July 2018. The evaluation aims to assess the achievement of the ICP III objectives and seeks to verify its relevance and alignment to Mali's main economic development policies and strategies, particularly the Strategic Framework for Economic Recovery and Sustainable Development in Mali (SERSDM, 2016 – 2018). Lastly, the evaluation puts forward suggestions for preparing a potential future programme cycle.

ICP III was signed in March 2015 for a five-year period. Its overall objective is to support the government of Mali in its efforts to reduce poverty by supporting inclusive and sustainable growth, reducing food insecurity and restoring peace and stability to the north of Mali. Its main focus areas are rural economic development, vocational training to increase employment among women and young people (training and occupational integration (TOI) and supporting the decentralisation reforms. Gender, governance, environment and climate change are addressed as cross-cutting themes. ICP III is being implemented in two target areas, in the south of the country (the Ségou Region and Yorosso Circle in the Sikasso Region) and in the north (the Kidal and Gao Regions). It includes: (i) bilateral projects being implemented by LuxDev and by the University of Luxembourg in the south and by PROMAN in the north; (ii) multi-lateral projects being led by the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the International Labour Organization (ILO) in the southern target area and by the World Food Programme (WFP) in the Gao Region; and (iii) a project implemented by the NGO SOS Faim in the south. ICP III accounts for nearly 80% of Luxembourg's development assistance to Mali. Following several amendments, the funding allocated to ICP III by Luxembourg's Ministry of Foreign and European Affairs has increased from an initial sum of €55 million to €63 million.

Main ICP III achievements at the mid-term point: Agriculture – The fonio, sesame and rice Added Value Chains (AVC) are experiencing rapid growth. 210 farmers' cooperatives and 80 micro-sized processing companies have been supported. The introduction of a seed producer network, a local farm advisory and modern equipment have helped increase both the profit margins of family farms and the added value of the AVC. Support has been provided to improve storage (57 storage facilities with a capacity of 50 tons) and sales and marketing (75 contracts in 2018). Downstream of the AVC, 4 leading SMEs are currently being strengthened. **TOI** – the regulatory framework for the sector is being put in place and management of the TOI approach is operational in the Ségou Region. Nearly 6,000 young people, 20 to 30% of whom are girls, have been trained in total (80% through vocational apprenticeships). The professional integration of trainees (20%) needs to be improved; however, 300 micro-enterprises have been created by young loan beneficiaries. 8,000 working age people from rural areas have been trained, 44% of whom were women who were trained on food processing techniques. **Decentralisation** – 15 Economic, Social and Cultural Development Programmes (ESCDP) have been produced; a qualitative approach for training elected officials and local authority staff is in place and 50 local authorities have been provided with management tools and equipment. Tax collection activities have been piloted in 5 local authorities and use of the software for devolved local authority tax collection (RECODE) is to be expanded to 120 local authorities following a decision by the supervisory ministry. 3 legal assistance and grassroots action centres have been set up and numerous public debates have been organised. **Northern area** – emergency support has been provided to 3,000 people from 450 vulnerable households. Support to the fishing, crop growing and livestock farming sectors has helped around 50 farmers' organisations and 2,200 crop and livestock farmers, 15% of whom are women. In addition, a wide variety of infrastructure has been rehabilitated. A regional TOI management system is in place in Gao and has been initiated in Kidal: 500 people, over 50% of whom are women, have received vocational training and a training centre in Kidal has been rehabilitated and equipped. An income-generating activity financing mechanism is being rolled out in Gao. In Kidal, numerous conflict prevention and management campaigns and local development participation

exercises have been carried out, and there are 5 community health centres in operation, all staffed with qualified personnel. Finally, the project is supporting the creation of interim regional authorities in the 2 regions.

Outside of ICP III, Luxembourg's 3D approach (diplomacy, development, defence) is being implemented through support provided in security and defence issues to the European Union Capacity Building Mission (EUCAP – secondment of Luxembourg police officers, criminal database and intranet project), to the European Union Training Mission (EUTM – secondment of Luxembourg army officers, various projects), to G5 Sahel (field hospital and medical support) and to the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA – contributions to the Trust Fund) for a total of €4,040,000, as well as through a more political approach focusing on the "Diplomacy" support focusing on human rights and governance provided via UNDP (supporting the electoral process), MINUSMA (committee of inquiry, independent observer) and G5 Sahel (compliance framework) for a total of €1,329,338. Post-conflict and reconstruction humanitarian and development projects are being conducted by Luxembourg NGOs, WFP and the International Committee of the Red Cross (ICRC) for a total budget of €9,613,302.

Relevance / Alignment / Harmonisation and synergies – ICP III is generally aligned to national policies, the SERSDM (2016 – 2018) and sector strategies. It is fully aligned to the European Union's joint programming initiative (2014 – 2018). The strategic options selected for the target sectors are relevant: (i) **Agriculture**: the market-based development of **agricultural value chains** and AVC as well as the improvements made to the quality of the products are creating both wealth and jobs; (ii) **TOI** : the main strengths of this component are the "Training → Integration → Employment" approach and the systematic capacity-building of stakeholders and implementing partners; and (iii) **Decentralisation**: support focuses on creating **national and regional** planning and monitoring bodies and on a "**stage by stage**" approach (**testing – lesson learning – extension / consolidation – scale up**). In the north, activities combine emergency interventions and creating short to medium-term livelihoods and provide local inhabitants with a response to a real need. The Luxembourg development agency is actively involved in the "vocational training" thematic group and, in the northern area, "education and training" and "WASH" clusters. The letter of understanding signed in May 2016 by the ICP stakeholders fosters synergies and harmonisation; however, its application needs to be improved.

Main weaknesses – The relevance and credibility of the policies supported were not assessed prior to the interventions, thereby complicating efforts to target priority actions. One reason for this could be the post-crisis context in which the projects were formulated. In addition, Luxembourg development assistance is not included in the Finance Act. As a result, it has not been included in sector planning and monitoring, nor in the SERSDM monitoring. Lastly, the national counterpart contribution is not listed in the government budget: the supervisory sector ministries do not have their own monitoring and supervision budget. Together, these factors mean that there is insufficient ownership of ICP III activities.

Effectiveness and impact – There is an economic rationale-based momentum for change in place in the **farming sector**. Satisfactory operational results have been achieved thanks to the effective coordination efforts of all **TOI** partners and stakeholders. **FAO's** professional integration and resilience project has fostered the creation of direct employment and the integration of young farmers in the AVC prioritised by the ICP. Significant achievements have been made as a result of both the **decentralisation** support (development of the Economic, Social and Cultural Development Plan (ESCDP), the introduction of land commissions, and others), and the collaborative and complementary activities implemented. In the north, project implementation is satisfactory given the context.

Main weaknesses – The wide range of focus areas within the target sectors means that the activities implemented struggle to have a profound impact. In addition, the strategies adopted do not systematically include the sustainability and replicability of the activities conducted: failure to build on good practices for funding farming AVC stakeholders and a lack of complementary approaches for meeting their funding needs; lack of an overall stakeholder capacity-building plan and total subsidy for non-financial services; uncertainties over the quality of the activities conducted in the FIP sector and insufficient capacities to support young people with their professional integration. In the north, the

context is a significant limiting factor and the approach taken to prioritise rehabilitations (and the diversity of activities) is hampering the ambitions and impact of the interventions.

Efficiency – At the mid-term point, 40% of the ICP III budget has been disbursed and 31% has been implemented. The level of implementation is satisfactory given that the operational launch was in 2016. Subject to a "value for money" audit, the cost-effectiveness of the equipment installed and facilities built is satisfactory. The training and monitoring costs are within the normal ranges (TOI). The synergies initiated between MLI/021 and SOS-Faim have led to the introduction of a marketing loan.

Main weaknesses – In the **farming sector**, the lack of synergies for funding farming AVC stakeholders and the lack of an overall capacity-building strategy have an adverse effect on efficiency. For the **TOI and decentralisation support**, financial implementation of the operational partnership agreements (OPA) stands at around 25%, whereas these agreements account for a large part of the budgets. Only two agreements between signatories to the letter of understanding have been completed (SOS Faim/MLI021 and FAO/ILO). Due to the lack of operational monitoring, the sought-after synergies are insufficiently effective. In the north, implementation varies due to the context.

Sustainability – The positioning of institutional / sector stakeholders and their capacity-building (particularly under the OPA) are important factors for ensuring sustainability. Other positive elements for sustainability include: the use of strategic AVC development options; the access to loans provided to young trainees, and the transfer of government funds to vocational training centres and institutes; and the involvement of local stakeholders in local authority governance.

Main weaknesses – The timeframe of the ICP projects / programmes (3 to 3.5 years) and the lack of prior analysis of the policies concerned are hindering the sustainability of interventions. The widespread range of focus areas within a given sector is also a limiting factor. Overall, exit strategies are currently insufficiently developed and detailed.

Capacity-building – The capacity-building of key institutions is based on an effective delegation of responsibility strategy and on identifying priority capacity-building areas. In the north, implementation of this approach is restricted by the context. To improve skills transfer, it would be useful for the technical assistance to prioritise capacity-building of the supported institutions. **Governance for development** effectively targets key stakeholders (civil society organisations, farmers' organisations, micro and small enterprises) and incorporates inclusion mechanisms. Progress can be seen with regard to **gender equality**, but operational strategies need to be improved. The promotion of adapted seeds and agro-ecology fosters **climate change adaptation** and the installation of hydro-agricultural facilities helps build **resilience**.

Internal consistency – Within ICP III, the different activities conducted are consistent and the multi-lateral projects and those of SOS-Faim have real added value. The Diplomacy and Defence approaches (outside of ICP III) are highly relevant in light of Mali's political priorities. They are consistent with development projects whose impacts are conditional on the restoration of peace and stability. This same rationale is being used to implement the humanitarian projects. Ongoing discussions on the humanitarian-development nexus should help improve the consistency of interventions in post-conflict areas.

Main weaknesses – The overall intervention strategy and ICP III internal rationale are not based on a theory of change (ToC). Without a ToC, the results monitoring matrix cannot be used as a performance framework and it is difficult to discern how interventions designed to achieve the overall objective, which is itself very broad, are linked and/or complement each other.

ICP III monitoring mechanism – The information required for the **results monitoring matrix** comes mainly from the 5 bilateral projects. The logical frameworks of these projects make reference to the EU joint programming initiative and to sector indicators. However, it is more difficult to link the multilateral projects to the EU initiative and required indicators. Since there is no operational link with the sector planning and statistics units, it is difficult to assess Luxembourg development assistance's contribution to improving the sectors supported and implementing the SERSDM.

Main recommendations of the ICP III mid-term evaluation:

1. Build the ICP and its results matrix around a theory of change. The future formulation exercise should enable a ToC to be developed for the ICP, for each target sector and for the north of the country. The EU joint programming initiative will form one of the main reference frameworks, alongside the post- SERSDM document and the Sustainable Development Goals (SDGs). The overall objective of the ICP should be aligned with the SDGs and revised SERSDM as far as possible. There needs to be a dedicated and independent monitoring and evaluation system put in place to enable close and systematic monitoring of ICP progress and the assumptions / risks.

2. Improve the visibility and consistency of Luxembourg development assistance through greater integration of the Diplomacy, Defence, Development and Humanitarian support into the priority areas identified by the ToC. A steering committee for each focus area should facilitate synergies between NGO, bi- and multilateral projects. An ‘unallocated’ budget of between 10 and 20% of the total budget will help ensure project flexibility.

3. Define a country cooperation policy based on 2 to 3 ICP cycles? The aim would be to facilitate capacity-building and forge partnerships over a period of more than five years. Implementation of a critical mass of support over a five-year period is recommended.

4. Extend ICP III for a minimum of 1 to 1.5 years focusing on 3 areas: (i) activities to be continued until 2019; (ii) improving the sustainability and implementation of the planned synergies; and (iii) preparing priority areas for a future phase (lesson learning, pilot activities).

5. Ensure Luxembourg’s funding and the national counterpart contribution is included in the Finance Act. The signature of an agreement between the implementing agency and the supervisory ministry will ensure that the project is registered, that the Ministry of the Economy and Finance lists the donation and counterpart contribution in the Finance Act, and that the support is integrated into sector monitoring and programming. The inclusion of the national contribution could enable the ministry to autonomously set up the monitoring and supervision mechanism (important role of the Planning and Monitoring Units) or to use the contribution as operational or investment funding.

6. Refocus the Luxembourg support areas to ensure interventions have greater impact. It is recommended to combine interventions at the regional level and at the central / sector level. The aim will be to improve the content of sector policies and strategies as well as to build monitoring and management capacities as part of public finance reforms. It is recommended to prioritise technical assistance that focuses on capacity-building.

7. Develop the approach in the north of Mali using the humanitarian – development nexus approach currently being developed and integrate the Defence and Diplomacy components. The development strategy should target local economic development and local authority capacity-building to productively meet this objective of development in the north. The approaches used should focus on sustainability by relying more on civil society organizations (CSO) / community-based organizations (CBO) for implementation, which will mean repositioning the project management units.

8. Provide the ICP with a cross-cutting gender equality strategy: promote gender-specific planning for all projects / programmes and appoint a gender equality expert to all Luxembourg development assistance projects.

Based on an assessment of the key challenges for Mali and of the added value provided by Luxembourg development assistance to Mali, the following **strategic options have been identified in preparation for a future ICP:**

Focus on the private sector and the food processing industry by supporting the demand-based (market) development of the AVC, and by improving the range of financial and non-financial services available to companies.

Develop opportunities in the production areas by modernising production systems and developing financial and non-financial services for farmers’ organisations and small and medium enterprises. For the rice sector in particular, focus support on further developing / increasing the profitability of the areas

already developed and on building the capacities of the Office du Moyen Bani (OMB), while at the same time working to improve the sector framework and public-private dialogue.

Prioritise young people (15 – 24 years old) through vocational training and supporting their professional integration by improving the quality and relevance of training to meet the needs of the private sector; the professionalisation of the training systems; and the professional integration and support mechanisms available, including those for incorporating young people with little or no training.

Rethink support to decentralisation processes: is the aim to support the process in itself or is this an opportunity to create a more enabling environment for economic development at the regional / inter-communal level? Discussions should take into account sector funding (including the government budget), as well as those partners working in the southern project area.