

Overview of Corruption and Government's Efforts against Corruption in Mali

Query:

"Could you please provide references (links) to any recent studies (last two years) on corruption in Mali, as well as an overview of initiatives and efforts made by the Government of Mali to fight corruption since the year 2000?"

Purpose:

"The answer will feed into our assessment of the general corruption situation in Mali and an assessment of the consistency (if any) of 'political will' to fight corruption in Mali. This assessment is part of an evaluation of pre-conditions for providing budget support to Mali."

Content:

- Part 1: Overview of corruption in Mali
- Part 2: Public efforts against corruption in Mali
- Part 3: Further reading

Summary:

In spite of firm political will against corruption demonstrated by a series of public anti-corruption reforms and initiatives, Mali continues to perform poorly in terms of control of corruption as shown by its Corruption Perceptions Index and World Bank Governance Indicators' scores. Although there are few recent national surveys and studies on Mali specifically focusing on corruption, most sources identify public procurement and the judiciary as the sectors most vulnerable to corruption. Since 2000, the government has undertaken a number of reforms to address corruption in the country. They have mainly focused on establishing a comprehensive institutional set-up to combat corruption, including anti-corruption laws, treaties and agencies and strengthening administrative control mechanisms. Reforms have culminated in the creation of the Office of the Auditor General in 2003.

Part 1: Overview of Corruption in Mali

Scope and Forms of Corruption in Mali

Extent of corruption

Various governance indicators indicate that corruption is perceived as widespread and systemic at all levels of society in Mali. The 2007 CPI ranked Mali at 118th place with a score of 2, 7. (Please see: http://transparency.org/policy_research/surveys_indices/cpi/2007). In the 2007 Worldwide Governance Indicators of the World Bank, Mali performed relatively well in terms of voice and accountability (57,7), average in terms of political stability (45,2) and rule of law (46,2) but scored relatively badly in terms of regulatory quality (36,6) and control of corruption (36,4 compared to 46,6 in 2002). (Please see: http://info.worldbank.org/governance/wgi2007/sc_chart.asp).

Further surveys conducted in the past five years confirm these findings. The World Economic Forum's Global Competitiveness Report for 2007-08 identifies corruption as one of the most problematic factors for doing business in the country. (Please see: <http://www.gcr.weforum.org/>). The

www.U4.no

www.transparency.org

www.cmi.no

Authored by:

Marie Chêne
U4 Helpdesk
Transparency International
mchene@transparency.org

Reviewed by:

Robin Hodess Ph.D.
Transparency International
rhodess@transparencyl.org

Date:

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World Bank Enterprise Survey conducted in 2003 supports these views. Approximately 60% of the companies reported paying facilitation payments to get things done, suggesting that petty corruption is widespread in the country, while close to 50% of small and medium sized companies identify corruption as a major or severe obstacle to conducting business in the country. (<http://www.enterprisesurveys.org/ExploreEconomies/?economyid=121&year=2003>). According to a World Bank Investment Climate assessment undertaken in 2004, almost 3,5% of companies' turnover disappears into informal payments.

(Please see:

http://siteresources.worldbank.org/EXTAFRsumaFTPS/Resources/note_11_screen.pdf).

Forms of corruption

The Anti-Corruption Business Portal reports widespread clientelism and various forms of **political corruption** including vote buying.

(Please see: <http://www.business-anti-corruption.com/Home.asp?pageid=4>). Corruption also appears to be most prevalent in dispute settlement and public procurement.

The **judiciary** is notoriously seen as inefficient and corrupt, lacking independence from the executive and contributing to a general culture of impunity for corrupt officials. (Please see: Index of economic freedom 2008: <http://www.heritage.org/research/features/index/country.cfm?id=Mali>). The Afrobarometer 2004 reveals that a majority of Mali's citizens believed that the judiciary grants preferential treatment according to class and income. (Please see: <http://www.afrobarometer.org/mali.htm>). This is confirmed by the views of business people and members of the international community who complain about inefficiency of the judiciary in the above mentioned World Bank Investment Climate Assessments and Enterprise surveys. The business community generally lacks confidence in the judiciary's capacity to enforce rules and questions the fairness of judicial decisions. Enforcing commercial contracts is cumbersome and settlement of disputes often involves paying bribes.

Public procurements also appear particularly vulnerable to corruption. The above-mentioned World Bank Enterprise Survey indicates that bidding rules are largely ignored when awarding public contracts. 66% of companies expect to pay bribes or give a gift worth approximately 5% of the contract in order to obtain a government contract.

Mali's Public Finance Management

Various studies and reports review the state of the public financial management system in Mali. In spite of efforts made in this area, Mali's heavily bureaucratised public administration hampers effective management of public resources. A U4 Expert Answer published in 2006 specifically focuses on corruption in public financial management in Mali. (Please see: <http://www.u4.no/helpdesk/helpdesk/queries/query96.cfm>

Within the parameters of the Poverty Reduction Strategy Framework, the World Bank supports the modernisation and improvement of public financial management in the country through increased information quality and transparency, and improvement of internal and external control mechanisms. A programme was launched in 2006 with the view to strengthen macroeconomic and fiscal management and improve the efficiency, accountability and transparency of public finance management systems.

(Please see:

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTPROGRAMS/EXTTRADERESEARCH/0,,contentMDK:20790969~menuPK:51441535~pagePK:210083~piPK:152538~theSitePK:544849,00.html>).

Several reports tend to indicate that efforts in this area have started yielding results. The Mali Country Assistance Evaluation published by the World Bank in November 2007 indicates that **public**

expenditure management (PEM) has strengthened considerably, evaluating Mali's present public expenditure management system as impressive by Sub-Saharan African standards. A slightly older joint assessment of public finance management systems in 23 heavily indebted countries published by the IMF and the World Bank in 2005 identifies Mali's PEM as one of only two countries whose PEM requires little upgrading.

(<http://www1.worldbank.org/publicsector/pe/HIPC/HIPCBoardPaperApril2005.pdf>). According to the World Bank's International Development Association (IDA), progress has been remarkable in strengthening budget formulation and execution in Mali in the last few years. A mid-term expenditure framework has been introduced and extended to several ministries. Budget execution has improved through the decentralisation of finance responsibilities from the Ministry of Finance to other relevant ministries, which contributed to increase their financial management accountability. (Please see: http://siteresources.worldbank.org/EXTIDAFRENCH/Resources/financespubliques_fr.pdf).

Public financial management in Mali has also been assessed through the Public Expenditure and Financial Accountability (PEFA) initiative that aims to support integrated and harmonised approaches to assessment and reform in the field of public expenditure, procurement and financial accountability. (<http://www.pefa.org/index2.htm>). The PEFA developed a public financial management performance framework that Mali has applied to assess its PFM system. The exercise has been "substantially" completed and a draft report has been submitted in March 2007, entitled "Mali-Rapport sur la performance de la gestion des finances publiques"¹. (<http://www.pefa.org/PEFA%20Website%20-%20CURRENT%204-9-03/www.pefa.org%20WEBSITE/PEFA%20Assessment%20Overview-August%2029,%202007.doc>).

However, problems seem to remain at local levels. Though promising progress has been made in **decentralisation** efforts, many governance issues remain to be addressed, including lack of accountability, weak public finance management system and accounting of expenditures, multiple accounting ledgers, systematic embezzlement and lack of coordination and cooperation between different levels of government. (Please see Mali Country Profile on the Business Anti-Corruption Portal: <http://www.business-anti-corruption.com/normal.asp?pageid=123>).

Sources of data and information on corruption related issues in Mali

The Helpdesk has not found many recent studies or national surveys on corruption conducted in Mali in the last two years. However, a number of sources of information and data provide recent information on the scope of corruption and the general state of governance in the country.

TI Corruption Perceptions Index 2007

The *CPI* is an "index of indices" composed of nine different sources that all provide a ranking of countries based on expert assessments and opinion surveys. Since 2005, Mali has consistently scored below 3 in the CPI. http://transparency.org/policy_research/surveys_indices/cpi/2007

World Bank Governance Indicators 2007

The *Worldwide Governance Indicators (WGI)* produced by the World Bank Research Institute consist of six aggregate indicators of governance including: 1) voice and accountability 2) political stability 3) regulatory quality 4) rule of law 5) control of corruption, covering 200 countries and combining cross country data from 30 organisations including the sources used for the CPI.

http://info.worldbank.org/governance/wgi2007/sc_chart.asp

¹ The Helpdesk could not access this report within the time frame of this query.

Index of Economic Freedom 2008

The *2008 Index of Economic Freedom* covers 162 countries across 10 specific freedoms such as trade freedom, business freedom, investment freedom, and property rights. Mali scored 28% in terms of freedom from corruption in the 2008 ranking.

<http://www.heritage.org/Index/>

World Bank's Country Assessment Evaluation, November 2007

This *Country Assessment Evaluation* provides an independent assessment of World Bank assistance to Mali during the period 1995-2005. It covers certain areas of public finance management and governance and acknowledges progress made in Mali in this area.

[http://lnweb18.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/2228D41FA887CD67852573390063E9AC/\\$file/mali_cae.pdf](http://lnweb18.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/2228D41FA887CD67852573390063E9AC/$file/mali_cae.pdf)

Freedom House 2007

Freedom House publishes a flagship comparative assessment of global political rights and civil liberties in a wide range of countries worldwide. The 2007 *Freedom in the World* publication includes a report on Mali. Mali's media are considered among the freest in Africa, freedoms of assembly and association are respected and Mali's human rights record is generally good. The judiciary lacks independence from the executive. The eradication of corruption is a priority of President Toure's government and a number of initiatives have been launched since he took office. However, corruption continues to be a problem and is especially prevalent in public procurement and contracting.

<http://www.freedomhouse.org/template.cfm?page=363&year=2007&country=7225>

Bertelsmann Transformation Index 2008

The *BTI* is a global ranking of transition processes which measures the state of democracy and market economic systems as well as the quality of political management in 125 transformation and developing countries, including Mali. In 2008, Mali ranked at the 49th position of the 125 countries surveyed, enjoying remarkable political stability given its ethnic diversity. Corruption is seen as an obstacle to President Toure's efforts to guarantee all citizens constitutional rights and civil liberties. The judiciary is weak and subordinate to political authorities, and corrupt offences are dealt with by other supposedly independent institutions. In practice, corrupt officials are rarely punished, unless they offend people in power or are exposed in the press. In such cases, they are usually quietly removed from their post.

<http://www.bertelsmann-transformation-index.de/78.0.html?&L=1>

Ibrahim Index of African Governance 2007 (Based on 2005 data)

The *Ibrahim Index of African Governance* measures the degree to which essential political goods are provided within the 48 African countries south of the Sahara. The 2007 Ibrahim Index uses data from 2005 and provides a reasonably complete set of available data for nearly all Sub-Saharan African states. Mali performed averagely in terms of rule of law, transparency and corruption with a score of 52,7. In 2000 and 2002, it scored 55, 9.

<http://www.moibrahimfoundation.org/index/single.asp?countryid=28>

Investment Climate Assessments 2006

The World Bank undertook an *Investment climate investment* in Mali in 2004 (http://siteresources.worldbank.org/EXTAFRISUMAFTPS/Resources/note_11_screen.pdf), while the US Department of State published its own *Investment Climate Statement* in 2006 (<http://www.state.gov/e/eeb/afd/2006/62363.htm>). Both reports refer to corruption as a major constraint to business and investment. Related information on the business environment in the country can be found in the "*Doing Business in Mali 2008*" report that explores the regulations that promote business activities and those that constrain it.

(<http://www.doingbusiness.org/ExploreEconomies/?economyid=121>)

Auditor General's report 2006 (French)

The Auditor General recently published a report with a detailed list of fraudulent activities, exposing widespread customs duty fraud and tax evasion involving private telecommunications companies, the office of the mayor of Bamako and fuel importation officials.

http://www.bvg-mali.org/index.php?option=com_docman&task=cat_view&gid=13&Itemid=33

UNECA African Governance indicators 2005

The "Striving for good governance in Africa" report is based on surveys of elites conducted in 28 countries, including Mali, in 2003 and 2004. These indicators cover corruption as well as broader governance issues, using 83 indicators and combining expert surveys, household surveys and desk research. <http://www.uneca.org/agr/agren.pdf>.

Afrobarometer 2001, 2002 and 2005

The Afrobarometer is a comparative series of national public attitude surveys on democracy, market and civil societies in a numbers of countries. It includes corruption related indicators and was conducted in Mali in 2001, 2002 and 2005. The next round of surveys is planned for 2008 and will include Mali. In 2002, well over 50% of Malians associate "most" or "all" of magistrates and border guards with corruption. In 2005, "most" or "all" tax and customs officers were perceived as corrupt by 58% of the respondents, judges and magistrates by 56% of the respondents and police officers by 50% of the respondents. <http://www.afrobarometer.org/mali.htm>

Etat de la gouvernance au Mali (2004)

Although not very recent, this report prepared by UNDP provides an overview of governance related issues in Mali. It reviews the political power structures in Mali as well as the system of checks and balances in place. The efficacy and auditing of public financial spending is also examined as well as the weaknesses of the Government of Mali.

<http://www.ml.undp.org/linkdoc/gouvernancemali2004.pdf>

Global Corruption Report's Mali country report (2004)

The GCR country report on Mali takes stock of the developments that occurred in the fight against corruption between 2002 and 2004, including the establishment of the Auditor General's Office.

http://transparency.org/publications/gcr/download_gcr/download_gcr_2004

Part 2: Public Efforts against Corruption in Mali

Although Mali is often cited as a good example of a developing country showing firm political will to curb corruption, the national media continues to question the government's commitment against corruption and regularly denounces the impunity of corrupt high officials. (Please see: <http://www.maliweb.net/category.php?NID=24889>).

The government has demonstrated its political will to tackle the problem by establishing a comprehensive institutional set-up to combat corruption, including laws, agencies and various administrative control structures. However, most of these structures are perceived as ineffective and working in an uncoordinated manner by many observers. (Please see: <http://www.business-anti-corruption.com/normal.asp?pageid=123>). Key anti-corruption reforms have been introduced between 2000 and 2003. The Helpdesk has not found documentation of further major reforms undertaken after 2003. Please find below a summary of the major anti-corruption measures implemented since 2000:

- **12 July/11 August 2000.** Signature/Ratification of the AU Convention on Preventing and Combating Corruption. (<http://www.africa-union.org/root/au/Documents/Treaties/List/Constitutive%20Act%20of%20the%20African%20Union.pdf>). Please note that various sources conflict on the status of this convention in Mali.

- **November 2000.** The « Cellule d'Appui aux Structures de Contrôle de l'Administration » (CASCA), the Malian Anti-Corruption Agency, was established in 2000, succeeding an ad-hoc anti-corruption commission that was set up in 1999. It is responsible for studying control and inspection reports submitted to the President and follow-up on the recommendations made within these reports. (<http://koulouba.absy.com/La-Cellule-d-Appui-aux-Structures>).
- **15 December 2000.** Signature of the UN Convention against Transnational Crime.
- **2001.** The penal code was amended to provide for the criminalisation of corruption.
- **2002.** An ad-hoc committee was established by the President to evaluate anti-corruption directives and measures against financial crimes following the World Bank's 2002 recommendations to strengthen Mali's anti-corruption programme. The Government rejected a number of the committee's recommendations but approved measures such as the establishment of internal control systems in all public services and the reduction of the public contract budget threshold. The threshold for conducting competitive biddings was subsequently reduced from 250 to 50 million FCFA. (http://transparency.org/publications/gcr/download_gcr/download_gcr_2004)
- **12 April 2002.** Ratification of the UN Convention against Transnational Organised Crime.
- **January 2003.** A decree provided for the creation of a commission for monitoring internal control systems within the "Contrôle Général des Services Publics". The commission is an advisory body in charge of approving public administrations' procedural manuals and training modules. (http://transparency.org/publications/gcr/download_gcr/download_gcr_2004)
- **2003.** The « Bureau du Vérificateur Général » (Office of the Auditor General) was established. The agency is independent from the government structures it monitors. The institution has been granted 100 professional staff, including experienced auditors. It has published incriminating reports in 2005 and 2006, exposing corruption among high officials and denouncing widespread customs fraud and tax evasion. The 2006 report estimates that government lost about 102 million FCFA of potential income between 2002 and 2006 through mismanagement, fraud and corruption. (http://www.bvg-mali.org/index.php?option=com_content&task=view&id=15&Itemid=1)
- **2003.** Additional human and financial resources have been allocated to the various institutions in charge of controlling the administration. For example, management staff at the "Contrôle Général des Services Publics" increased from 27 to 40 and its budget from 328 million FCFA in 2002 to more than 700 million FCFA in 2003. (<http://www.koulouba.pr.ml/PREMIERE-PARTIE-Le-Controle>)
- **9 December 2003.** Signature of the UN Convention against Corruption. The UNCAC has not yet been ratified.
- **June 2007.** In his speech on the occasion of the publication of the 2006 Auditor General's annual report, President Amadou Toumani Toure gave an overview of the anti-corruption efforts undertaken since his election in 2002. In 2007, 669 control and inspection reports had been analysed by CASCA and submitted to the President, of which 123 reports had been transferred to the judiciary. (<http://www.koulouba.pr.ml/Remise-du-Rapport-Annuel-2006-du>)
- In addition to the above-mentioned measures, Mali is a candidate country for the Extractive Industries Transparency Initiative. The Malian government has committed to join the initiative as an important number of foreign oil exploitation companies are planning to invest millions of USD searching for oil and gas in Mali's desert.

In spite of the above-mentioned measures that tend to indicate firm political will to tackle corruption, the impact of reforms on perceived levels of corruption is still limited. The President announced that he would convene in the first half of 2008 "les Etats Généraux de la Corruption", involving wide consultation at national and local levels with stakeholders from all sectors of society. This initiative has, apparently, been positively received by the media.

(Please see: <http://www.lemali.fr/societe/societe-malienne/croisade-contre-la-corruption-2008020511555.html>).

Part 3: Further reading

Rapport 2006 du Vérificateur Général

The 2006 annual report of the Auditor General's Office was submitted to the President in June 2007. Several public institutions have been audited, including the development programme for health and social services. Conclusions and recommendations are made public on the Auditor General's website. http://www.bvg-mali.org/index.php?option=com_docman&Itemid=33

Recommandations visant à renforcer le programme anti-corruption (2002)

At the request of the President, a World Bank delegation visited Mali in 1999 to evaluate the anti-corruption programme. Recommendations made focused on three major issues: 1) limiting opportunities for corruption; 2) applying necessary sanctions; 3) achieving greater transparency in government operations. The outcome was the publication of a report in 2002 formulating key recommendations for the fight against corruption in Mali.

<http://www1.worldbank.org/publicsector/anticorrupt/MaliwebAnti.pdf>

U4 Expert Answer on Corruption in the health and education sectors in Mali (2006)

In the education sector, existing documentation identifies weaknesses such as inefficient provision of text books, ineffective quality and performance monitoring, unsustainable action plan and budget and weak PFM. Lessons learnt by the World Bank in the health sector include the need for protecting social allocations while ensuring efficiency of expenditures and placing greater emphasis on rigorous monitoring and evaluation. <http://www.u4.no/helpdesk/helpdesk/queries/query93.cfm>

Minding the Gap: Integrating poverty reduction strategies and budget for domestic accountability (2007)

This study reviews a series of case studies that document the status of budget and poverty reduction strategy integration in a sample of nine low-income countries, including Mali, and the links between policies, budgets and service delivery in four higher-income countries considered to be successful reformers in public financial management.

<http://www.unpei.org/PDF/budgetingfinancing/Minding-gaps-PRS-budgets.pdf>

An evaluation of Malian civil society's role in governance (2007)

The end of dictatorial rule and the emergence of a more pluralistic government have coincided in Mali with the emergence of a stronger civil society. This paper assesses the role of Mali's civil society in democratic governance along its four major functions: 1) as an advocate; 2) in service delivery; 3) as a partner with government and 4) as watchdog over government.

[http://www.afriamap.org/english/images/paper/Mali_Civil_Society\(fin\).pdf](http://www.afriamap.org/english/images/paper/Mali_Civil_Society(fin).pdf)

Rapport sur la gestion des finances publiques au Mali (2003)

Although not a recent assessment of the current PFM in Mali, this report provides an overview of reforms accomplished in recent years in the area of finance management and may help assess progress made since 2003. The report highlights two major areas of concern, including transparency of budget processes and documentation as well as expenditure efficiency.

http://www.ml.undp.org/linkdoc/rap_fin_public2003.pdf