

MALI: A GOOD STUDENT IN SUB-SAHARAN AFRICA

In 2013 Mali was classified among the African countries that made the most effort to improve their business climate since 2005 by the World Bank.¹ Undeterred by the 2012-2013 political crisis, the country retained its top ranking out of the eight West African Economic and Monetary Union (WAEMU) nations in the *Doing Business 2013* report.² In 2014, Mali lost this leadership, coming at the 155th place, just behind Burkina Faso.³ The country, however, remains a good student of the World Bank in sub-Saharan Africa.

DOING BUSINESS REFORMS IN MALI

Since the establishment of the *Mali Investment Climate Program* (MICP) in 2008, business climate has been reformed, particularly in favor of export-oriented agribusiness, as shown by “good reforms” highlighted in the *Doing Business* reports:

DB 2008:

- ✓ In 2008, Mali improved its score in the “Registering Property” category by reducing the time to register property by creating one-stop shops to register land leases.

DB 2009 to 2011:

- ✓ From 2009 to 2011, the time required to trade was halved thanks to the implementation of new electronic systems (2009), reduction of the necessary documentation (2010), and the elimination of certain inspection procedures (2011), all of which boosted the “Trading Across Borders” rating.

DB 2011:

- ✓ In 2011, Mali eased property transfers by reducing the property transfer tax for firms from 15% of the property value to 7%, allowing companies to make significant savings and positively impacting the “Registering Property” category.¹³

DB 2013:

- ✓ In 2013, Mali made paying taxes less costly for companies by reducing the corporate income tax rate.¹⁴

LAND GRABBING UNDER THE WORLD BANK'S SPONSORSHIP

The *Mali Investment Climate Program* (MICP) was created by World Bank's investment climate team in 2008. The program's key objective was to increase investment, notably in agribusiness, by implementing reforms favorable to the business climate.⁴ The following year the World Bank sponsored the creation of Mali's Investment Promotion Agency (API),⁵ which has been an active promoter of large-scale agricultural investments. The API works to ensure that Mali offers favorable conditions to investors and officially prioritizes export crops.⁶ In 2011, the API advertized that agricultural land was available for lease to investors at a “symbolic price” and that “export-oriented firms (exporting at least 80% of their production) would benefit from 30 years of exemption rights and taxes.”⁷ With these advantageous conditions, land investments increased dramatically in the country after 2009. 544,567 hectares were leased to 22 investors in 2010, mostly for export-oriented monocultures or biofuel production, despite strong opposition from local communities.⁸

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POST-CRISIS MALI: A “DEVELOPMENT” OPPORTUNITY FOR THE WORLD BANK

In March 2013, the World Bank provided a \$20 million loan to Mali for the *Agricultural Competitiveness and Diversification Project*, whose goal is to help the country “improve its agriculture and food production by fostering closer links with agribusinesses and commercial financing.”⁹ In September 2013, the Bank also granted a zero-interest \$50 million loan to support the *Plan for Sustainable Recovery of Mali* (PRED). This figure was doubled in December 2013, bringing the Bank’s support for the PRED to \$100 million. One objective of the plan is to “double the amount of cultivated land by 2017” in the Office du Niger area.¹⁰ According to Ibrahim Coulibaly, President of the National Coordination of Farmer Organizations of Mali (CNOP), “In these reconstruction times, and whereas

2014 has been declared the year of family farming, the Bank’s agribusiness-oriented assistance is a source of great concern for farmers’ organizations fighting against land grabbing and for food sovereignty in Mali.”¹¹

In March 2014, Paul Noumba Umb, the new director for the World Bank’s operations in Mali, underlined “the excellent relations” with the country and reported his institution’s strategy for the development of agricultural zones and agro-processing activities.¹² Given that the Minister of Economic Affairs, Mrs. Bouaré Fily Sissoko, was previously at the World Bank’s country office in Bamako, may have paved the way for the excellent relationship.

ENDNOTES

- 1 Fomba Harouna, *Doing Business 2013: le Mali, un top réformateur en Afrique*, Afrik.com, October 30, 2012.
- 2 Investment Promotion Agency, Mali. <http://www.apimali.gov.ml/index.php?mact=News,cntnto1,detail,o&cntnto1articleid=121&cntnto1returnid=60> (accessed March 25, 2014).
- 3 World Bank, *Doing Business Ranking*. <http://www.doingbusiness.org/rankings> (accessed March 24, 2014).
- 4 *A Boost for New Business in Mali, Mali’s friendlier investment climate has attracted 4,600 new Businesses*, The Mali Investment Climate Program, World Bank. https://www.wbginvestmentclimate.org/publications/upload/Mali_A4_FINAL.pdf (accessed March 24, 2014).
- 5 Baxter Joan, *Understanding Land Investment Deals in Africa, Country Report Mali*, Oakland Institute, 2011. http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OI_Mali_Land_Investment_report.pdf (accessed March 26, 2014).
- 6 Baxter Joan, *op. cit.*
- 7 *Promotion de l’Investissement Privé au Mali, opportunités d’investissement dans la filière des oléagineux*, Presentation, Agence de la Promotion des Investissement, November 2011. http://www.apimali.gov.ml/uploads/documents-utiles/Pr%C3%A9sentation_investisseurs_Agri_OI%C3%A9agineux_fran%C3%A7ais.pdf (accessed March 24, 2014).
- 8 Baxter Joan, *op. cit.*
- 9 *World Bank Finances New Agriculture Support for Mali, Press Release, World Bank, March 28, 2013*.
- 10 *Plan Pour la relance Durable du Mali 2013-2014*, Mali Republic, April 2013. <http://www.imf.org/external/french/pubs/ft/scr/2013/cr13111f.pdf> (accessed March 27, 2013).
- 11 Personal Communication. April 4, 2014.
- 12 *La Banque mondiale à Koulouba : Le développement des agropoles au Mali à la loupe.*, L’Indicateur du Renouveau, March 25, 2014.
- 13 *A Boost for New Business in Mali, Mali’s friendlier investment climate has attracted 4,600 new Businesses*, *op. cit.*
- 14 World Bank, *Doing Business Reforms in Mali*. <http://www.doingbusiness.org/reforms/overview/economy/mali> (accessed March 24, 2014).

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Photo: Sign for the Investment Promotion Agency in Bamako, Mali. © Joan Baxter / Oakland Institute



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