I. Project Context

Country Context

Mali has a population of 14.5 million growing at 3.6 percent annually (2009 national census). Close to 60 percent of the population is below 15 years old, of which 18 percent is of school age between 7 and 12 years old. The rate of adult literacy is 29 percent and 24 percent of the total population have access to electricity. Mali has a GDP per capita of $740 (2011), gold playing a critical role in its development, accounting for 8 percent of GDP, 78 percent of exports and 40 percent of government revenue. While poverty declined in Mali from 55.6 percent in 2001 to 43.6 percent in 2010, it remains geographically concentrated affecting predominantly the rural population. Mali’s macroeconomic performance over the past decade has been commendable, with growth rate averaging 5 percent annually and inflation contained well within West African Economic and Monetary Union (WAEMU) norms. The country’s macroeconomic program has been supported by the International Monetary Fund (IMF) in the context of two consecutive Extended Credit Facility Arrangements (ECF), June 2004 to October 2007 and May 2008 to December 2011, respectively.

Mali’s medium-term macroeconomic outlook is favorable. Nevertheless, there are potential risks. Growth is estimated to reach 5.4 percent in 2011, projected to be 5.6 percent for 2012 and to remain above 5 percent for 2013-14 driven by higher gold and agricultural production. The primary sector is projected to grow at 6.5 percent mainly driven by agriculture (8.3 percent). The cotton subsector is projected to grow at some 60 percent in 2011 as a result of supportive policies set by the government in a context of rising prices of cotton. The secondary sector is forecast to grow by 5.4 percent, driven by energy, textiles, a modest recovery in the gold mining sector and new mining companies. The overall fiscal deficit is projected to decrease to 3.1 percent in 2012 and hold at 2.4 for 2013-14 mainly as a result of improved tax revenues, which are expected to increase from 14.3 percent of GDP in 2010 to 16.1 percent of GDP in 2014 as new tax reforms are implemented. On the expenditure side, measures to improve the management of the investment budget and continued PFM reforms are expected to add to fiscal consolidation efforts. High dependence on gold underscores the urgent need for diversification of the economy. Remittances constituted approximately 5 percent of GDP in 2011 and a prolonged financial crisis in Europe could directly affect consumption for dependent families. Given the rising importance of agriculture in growth performance, the Malian economy remains particularly vulnerable to climatic conditions.

Presidential and legislative elections are scheduled for 2012. With four presidential and legislative elections since 1992, Mali has a stable political history since its transition to democracy. While upcoming presidential and legislative election races are anticipated to be highly competitive, there is no expectation of meaningful departure from current economic policies. While there are more than a hundred political parties, fewer than 10 of them can actually be considered to have a national representation. Whoever wins, it is anticipated that there will be continuity of current economic policies and the 2012 – 2017 PRSP, which was adopted in 2011 and is supported by a new three-year IMF program.

Security concerns linked with the activities of al-Qaeda in the Islamic Maghreb (AQIM) in the North of Mali have affected the tourism industry, grass-roots development projects run by non-governmental organizations and social stability and economic prospects of Mali. The former Libyan regime was seen as an effective facilitator in the often conflict-ridden relations between the government and the Touaregs. In this regard, the regime collapse in Libya and the resurgence of fighting in the North has delayed progress on settling the Touareg issue. The return of migrant workers, while not numerous (some 11,400 official returnees as of October 1, 2011), increases pressure on already fragile families and communities. Recent violence in the north has led to retaliations and to Touareg families fleeing to refugee camps in Mauritania. Amadou Toumani Touré, the outgoing Malian President, has worked to improve inclusiveness and social cohesion during his presidency, including the nomination of the first female prime minister, Cissé Mariam Kaidama Sidibé, who comes from the north (Timbuktu) and a new development program called Programme spécial pour la paix, la sécurité et le développement dans le Nord du Mali (PSPSDN July 2010 – July 2012). Security collaboration with neighbors has intensified with the launch of the Joint Staff Operational Committee (Comité d’Etat Major Opérationnel Conjoint – CEMOC), based in the southern Algerian town of Tamanrasset.

II. Sectoral and Institutional Context

Mali has made significant progress at all levels of education. Under the government’s comprehensive 10 Year Education Program (PRODEC),
strongly supported by donors, gross primary enrollment rates increased from 74.0 percent in 2004/2005 to 80 percent in 2010 and primary completion rates rose from 43.2 percent to 58.1 percent over the same period. While the quality of education improved under PRODEC it did not reach its targets and serious regional and gender disparities remain. Enrollments in secondary education grew by about 14 percent annually and the gross enrollment rate increased from 13 percent to 26 percent between 2005 and 2010 in large part due to the government’s policy to provide subsidies to private sector schools.

Higher education enrollments grew at 15 percent annually from 32,222 in 2005 to 90,050 in 2010. The main factors explaining this rapid increase is the growing number of students succeeding the Baccalauréate exam, which serves as both an end of secondary certificate and guaranteed entrance into university. Between 2006 and 2011 the annual number of students awarded the Baccalauréate grew by 12 percent from 16,024 to 28,053. Over 80 percent of students were enrolled in the University of Bamako. The higher education private sector, which was practically non-existent in 2000, now has over 100 institutions (mostly in Bamako) with approximately 12,000 students representing an annual average growth rate of 25 percent.

Access and equity indicators have improved but remain relatively low. The number of students enrolled in higher education per 100,000 inhabitants has increased more than 2.5 fold over the past 6 years, from 247 in 2004/2005 to 664 in 2010/2011. This is higher than the Sub-Saharan Africa average (602) but lower than the East-African countries’ average (715). Women represent 29 percent of all students in higher education ranging from 18 percent of students in science and technology departments and 42 percent in management and business programs; the majority of women are in arts and humanity programs. Graduation rates for women were 87 percent in 2009 and higher than for men at 83.5 percent and this is true for all programs. Gender, place of residence and a household’s standard of living are recognized as the main discriminatory factors to access to higher education in general. Girls’ enrollments in university are also affected by gender inequality in secondary and primary levels. Girls receive priority in university scholarships.

A prolonged crisis has undermined the functioning of the University of Bamako, which hosted about 90 percent of Malian students. Over the past 10 years the strikes by teachers unions joined at times by students have led to the de facto adoption of a sliding academic year. The cumulative effect of these strikes and elongated academic year is that no student at the former University of Bamako has graduated within the normal time period of four years for the humanities and seven years for medicine and subsequently overcrowding and additional costs particularly for student aid when students are not studying. Recognizing the impact of recurrent strikes and their negative effect on the quality of education, the government organized, with support from the World Bank, the National Forum on Education (NFE) in 2008 to forge a consensus on the necessary reforms. There was consensus among main sector stakeholders that systemic changes were needed to move away from the cycle of continuous strikes and negotiations, and to focus on improving the quality and relevance of programs and reducing inefficiency. Following the National Forum the government agreed to prepare a policy document to capture this consensus for reform.

In 2009 one of the largest teachers unions, made up mostly of assistant professors accounting for 56 percent of the teaching staff, launched an indefinite strike. As a result, students enrolled in 2009 and before have not completed their programs. As well, the 20,000 high school graduates from June 2010 and the 26,000 of 2011 graduates have not started their first year of university and students have been not graduating from university for the past three years.

On July 14, 2011 the Council of Ministers decided to close the University of Bamako and created four new public universities in Bamako (University of Science and Technology, University of Law and Political Science, University of Arts and Languages, and the University of Business Management), as well as the new University of Ségou. Their current legal status is the same as that for the former University of Bamako, but this will be changed under the legal framework giving universities much more autonomy to be adopted in 2012. While 2010 and 2011 high school graduates have enrolled, classes had not started as of February 2012.

III. Project Development Objectives

Improve the management of the higher education system, and the quality of selected higher education programs.

IV. Project Description

Component Name
Component 1: Strengthening Sector Management and Governance Systems
Component 2: Quality Improvement and Diversification for Higher Education Programs
Component 3: Project Management and M&E

V. Financing (in USD Million)

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<th>For Loans/Credits/Others</th>
<th>Amount</th>
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<td>BORROWER/RECIPIENT</td>
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<td>International Development Association (IDA)</td>
<td>28.40</td>
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<tr>
<td>Total</td>
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VI. Implementation

The Ministry of Higher Education and Scientific Research (MOHESR) is the project implementing agency. It will have overall responsibility for project coordination and implementation.

The Steering Committee is the main decision-making body for the project. Its main role is to provide guidance and overall supervision of the project. It is chaired by the Minister of Higher Education and Scientific Research or his/her designee, comprises all Rectors, Directors of the Grandes Ecoles, representatives from the Ministries of Finance, Budget and Civil Service Reform, Basic Education, Youth and Employment as well as representatives from the private sector and private higher education service providers. The Secretary General of MOHESR will be in charge of the Secretariat to the Steering Committee.
The Project Technical Committee (PTC) will be chaired by the Secretary General of the MOHESR. It will meet bi-monthly to review the annual work plan, monitor problems and provide solutions. The PTC will include the Deputy coordinator (who will be the Secretariat of the PTC), the DGESRS and heads of the planning and quality assurance units, the project technical coordinators and other members of the PIU.

The Project Implementation Unit (PIU) will be responsible for the overall coordination of project implementation, under the overall supervision of the MOHESR Secretary General, who is the project coordinator. The PIU will consist of a deputy project coordinator, an accountant, a finance officer, a procurement specialist and a procurement officer, a communications officer, coordinators of technical networks of representatives for HEIs to facilitate implementation of specific sub-components and major project activities and support staff. The accounting and procurement staff are lent to the PIU from the Direction of Financial Services (DAF) of the MOHESR. Thus the project will build the capacity of the DAF in project management, procurement and financial management. The PIU is responsible for procurement and project financial management, preparing annual work plans, quarterly and annual implementation and results reports, monitoring the overall project implementation and ensuring compliance with safeguard policies.

The Directorate General of Higher Education and Scientific Research (DGHESR) replaces the Directorate of Higher Education of the MOHESR. It will have a wider span of authority in promoting quality assurance, developing policies and sector plans and ultimately in determining financial allocations to HEIs. The DGESRS will be responsible for preparing the 2015 – 2025 sector program, Annual Higher Education Report, organizing workshops for HEI business planning, teacher training and training of Boards of Directors.

Higher Education Institutions (HEI) are members of the Steering and Technical Committee, and will provide technical coordinators and members of project technical networks involved in specific activities and sub-component. HEIs will be involved in preparing terms of references and technical specifications of studies and purchase of equipment.

VII. Safeguard Policies (including public consultation)

<table>
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<td>Environmental Assessment OP/BP 4.01</td>
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<td>Projects in Disputed Areas OP/BP 7.60</td>
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VIII. Contact point

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