

Findings

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Good Practice
Infobrief



Findings Infobriefs reports on Good Practice in ongoing operational, economic and sector work carried out by the World Bank and its member governments in the Africa Region. It is published monthly by the Knowledge and Learning Center on behalf of the Region. The views expressed in Findings are those of the author/s and should not be attributed to the World Bank Group.

Mali

Private Sector Assistance Grant

The principal objective of the project was to help foster the development of private sector enterprises, so that they could lead the growth of Mali's economy. The project aimed at putting in place mechanisms and measures to support the government's strategy of breaking from past reliance on the public sector.

The project proposed to achieve this by (a) completing implementation of improvements to the regulatory environment that had been introduced starting in the late eighties; (b) assisting a private business support structure, APEP, the *Agence pour la Promotion de l'Entreprise Privée*, to coordinate a program of institutional support to private non-financial enterprises; (c) improving the functioning of economic chambers (principally the Chamber of Commerce and Industry of Mali), the Government's office charged with public enterprise reform, BEP, and departments of the administration responsible of administering regulations affecting private enterprises; and (d) inducing the strengthening of the banking sector and the preparation of a coherent financial sector strategy.

Impact on the ground

Despite a difficult start, in the end, the project partly achieved its objective of helping to foster the development of private sector enterprises, and putting in place mechanisms and measures to support the Government's strategy of breaking from past reliance on the public sector. The project was restructured, and the main project activities after restructuring —the legal and regulatory reform and the matching grant program — yielded important results. The project contributed to improvements in the policy and regulatory framework, and there is evidence that the changes brought about have contributed to business creation and investment. The project also supported the preparation of a comprehensive financial sector strategy that led to the definition of a Government sector reform program

Lessons learned

- In countries which have relatively new reform programs with fragile sector institutions, projects should have limited scope. Initially, the project covered a number of activities. The project was streamlined after restructuring to focus on legal reform and the matching grant and the public-private dialogue. These changes, along with the simplification of implementation arrangements, contributed to the successes of the project in its final years.
- Project implementation arrangements are critical to the success of a project, and should involve institutions with a knowledgeable and committed team. Private sector advocacy institutions which have a variety of functions are not necessarily well suited to implement private sector support projects where management and coordinating skills are of paramount importance. The original implementation arrangements were complex, relied on weak government institutions and a young private institution. After restructuring, the implementation arrangements were simplified, but APEP does not appear to have given priority to project management, and APEP staff assigned to project management worked on the matching grant instead. APEP management and Board did not address project management issues that would have enabled it to perform better. The APEP team should have included a procurement specialist.
- Stakeholders should be actively involved in the reform programs that affect them to ensure ownership. Serious efforts were made both at appraisal and at the time of restructuring to involve all stakeholders. The project performed better when the private sector increased its involvement following restructuring. The moderator charged with carrying out the technical work for the Private-Public Commission did not engage the stakeholders, and the technical work carried out has not had as much impact as would have been expected.
- Active participation of the government through representatives that have both the authority and capacity to provide guidance facilitates the success of private sector support projects. The work of the Financial Sector Commission and of the Unit charged with the legal component demonstrates that the appointment of experienced and dynamic persons helps ensure that a project meets its objectives. There were a number of ministers charged with the overall follow up of the project, and no senior staff with the appropriate profile was appointed to provide overall guidance to the program embodied in the project, which resulted in limited involvement from the government in project follow-up. Symptomatic of the problems in the Ministry of Industry was the commission in the ministry set up towards the end of the project to prepare a ten-year private sector development project which consisted of ten civil servants and only five private sector representatives.
- The impact on beneficiaries should be assessed, preferably annually. Impact assessments were to have been carried out at completion of the project, but it would have been preferable to have conducted annual reviews.

This Infobrief has been drawn from World Bank Implementation Completion Report No.25275, from which more detailed information can be obtained.