
6. Mali

*Anatole Ayissi and Nouhoum Sangaré**

I. Introduction and background

For the first three decades following Mali's independence from France in 1960, the military played a central role in the affairs of the state, even when the country was nominally a democracy. The role assigned to the armed forces ensured that they also received a relatively high share of the state's resources.

This chapter investigates the military budgetary process in Mali, focusing on the institutional capacity, structure and actors involved in the process. This section continues with an overview of the history, politics and economy of Mali. Section II explores the nature, structure and composition of the Malian defence and security sector. Sections III and IV address the specific object of this study by analyzing the national budgetary process and the four phases of the military budgetary process. Section V presents a critical assessment of the military budgetary process, juxtaposing the formal process and actual practice with a view to highlighting the differences. The concluding section VI summarizes the findings of this research and puts forward recommendations for improving accountability, transparency and efficiency in the military budgetary process in Mali.

History, politics and economy

Mali, formerly the colony of French Sudan, became fully independent on 22 September 1960 after periods of internal autonomy and federation with neighbouring Senegal. Since then Mali has had a relatively stable political history characterized by only two major political transitions: from (nominally) democratic government after independence to military rule in 1968, and back to democratic rule after 1991. On 19 November 1968 a growing economic crisis and bad governance prompted a military coup that overthrew Modibo Keita, the first President of Mali. A military committee, led by Colonel Moussa Traoré, was established to rule the country. The Traoré regime remained in power until 26 March 1991, when it in turn was ousted in another military coup following a popular uprising in which youths and students were key actors. The post-Traoré era was characterized by a gradual transition to democratic rule, the first such transition in West Africa. President Alpha Oumar Konaré, first elected in 1992

* The authors would like to thank David Beal, Junior Professional Consultant at the United Nations Institute for Disarmament Research (UNIDIR), Geneva, for commenting on this chapter and gathering data on Malian military expenditure.

and having completed the second of his permitted two terms in June 2002, successfully handed power to his elected successor, Amadou Toumani Touré, a retired general who had led the 1991 coup.

Under Modibo Keita's socialist regime of the First Republic (1960–68), the armed forces were used as a key pillar in a highly centralized and authoritarian political system. During this period, the army was used mainly for public works and protection of the environment. The military budget was essentially an operating budget, *budget de fonctionnement*, that consisted mostly of salaries. Communist regimes of Eastern Europe equipped the army with heavy armament and other military equipment. Under the military-led Second Republic (1968–91) the country was ruled by a military committee, which was transformed into a political party in 1974. During this period, in spite of the high military expenditure, the living conditions of military personnel remained poor. The armed forces were more independent of the Ministry of Economy and Finance (MOEF) and less accountable to other institutions of the state in those early years of independence. It was common to have military budget overruns, as well as flagrant violations of other fundamental budgeting principles and accounting rules. In addition, the armed forces followed a special code for public works contracts that differed from the national standard.¹ This situation changed after 1991, first under the transitional government and then under President Konaré. The new President aligned military budgeting with the rest of the public sector financial management system.

Economically, Mali is among the poorest countries in the world, with 65 per cent of its land area either arid desert or semi-desert. Economic activity is largely confined to the area irrigated by the River Niger. The chief economic activity is agriculture, with 80 per cent of the labour force directly engaged in farming and fishing; another 10 per cent are nomads.² The most important agricultural crops are cotton and peanuts. Other major food crops are rice, corn, sorghum, millet and cassava. Mali's limited industrial activity is concentrated on processing agricultural produce. The country is heavily dependent on foreign aid, including military assistance, from a variety of sources but especially France and, in the past, the countries of the former Eastern bloc.

II. The security sector

Mali's security sector consists of the armed forces (the army and the air force), the security forces (the National Gendarmerie, the National Police and the National Guard) and paramilitary forces. The paramilitary forces include the Forestry Service, the Customs Service and the Civil Protection Service. They qualify as part of the security sector because they go through basic military

¹ Prior to 1991, the armed and security forces implemented their public spending under a special regime which offered easier conditions, with soft internal procedures and fewer control mechanisms.

² Central Intelligence Agency (CIA), 'Mali', *World Factbook 2004* (CIA: Washington, DC, 2004), URL <<http://www.cia.gov/cia/publications/factbook/>>.

Table 6.1. Military expenditure of Mali, 1990–2004

Figures in US\$ are in constant 2003 prices and exchange rates.

Year	Military expenditure		
	\$ m.	b. franc CFA	as a % of GDP
1990	38.5	14.2	2.1
1991
1992
1993	47.8	16.8	2.4
1994	51.3	22.2	2.3
1995	54.8	26.9	2.3
1996	51.7	27.1	2.1
1997	59.9	31.3	2.0
1998	59.3	32.2	1.9
1999	67.0	36.0	2.0
2000	77.6	41.4	2.2
2001	78.1	43.8	2.0
2002	75.9	44.7	1.9
2003	81.4	47.3	1.9
2004	88.8	49.4	..

GDP = Gross domestic product.

Source: SIPRI military expenditure database.

training and take part in surveillance of the territory and the protection of persons and assets.

The total size of the armed forces is about 7350, including 400 personnel in the air force and 50 navy personnel.³ The security forces total 4800, including 1800 gendarmes and 2000 republican guards.⁴ Military expenditure since 1990 is presented in table 6.1.

The role and duties of the security sector are defined in a code of conduct which came into effect in 1998.⁵ In particular, the code states that the principal mission of the Malian armed forces is ‘to prepare for and guarantee, if necessary by armed force, the defence of the homeland, the republican form of the state, its democratic heritage and the highest interests of the nation’.⁶ As well as providing direction to Mali’s defence policy, the code of conduct enumerates the three categories of mission that the armed and security forces can under-

³ International Institute for Strategic Studies (IISS), *The Military Balance 2004/2005* (Oxford University Press: Oxford, 2004), pp. 238–239

⁴ IISS (note 3).

⁵ Ministry of Defence and Veterans (MODV), *Code de conduite des Forces Armées et de Sécurité du Mali* [Code of conduct of the armed and security forces of Mali] (Ministère des Forces Armées et des Anciens Combattants: Bamako, 1997), URL <http://www.hrea.org/erc/Library/armed_forces/>, Titles I and III.

⁶ MODV (note 5), Title I, Article 1 (authors’ translation).

take—in times of peace, internal turmoil and war—and specifies the role of the military in each.

The constitution of Mali specifies the actors and institutions involved in the management of the security sector and their respective powers in security and defence matters. The overall responsibilities of these actors and institutions and their relationships are further elaborated in an act adopted in November 2004.⁷ While the constitution designates the President as the supreme commander of the armed forces, the Prime Minister is responsible for the implementation of the national defence policy.⁸ The Minister of Defence directly implements the national defence policy and manages the armed forces, the National Gendarmerie and the National Guard. The Minister of Internal Security and Civil Protection is in charge of the non-military aspects of national security, but, when necessary, the National Gendarmerie, the National Police and the National Guard can be mobilized under the minister's authority. The ministers of Territorial Administration and of Economy and Finance also have specific roles in defence matters. The parliament, the National Assembly, is empowered by the constitution to determine the fundamental principles and general organization of the defence and security sector.⁹

III. The national budgetary framework and military expenditure

The national budgetary process in Mali is regulated by the 1996 financial law act.¹⁰ The act includes general provisions related to the national budget, notably principles on income and spending, an implementation regime for Treasury operations and accounting, and voting procedures for the budget. The financial law act defines the general guidelines and principles according to which the national budget is elaborated and implemented.

There are four principal actors in the military budgetary process in Mali. First is the Prime Minister, who is constitutionally charged with the implementation of national policy, including defence. Second is the Minister of Defence, who implements national defence policy on behalf of the Prime Minister. Third is the Minister of Economy and Finance, who is responsible for the formulation and implementation of the annual finance act. In doing this, the Ministry of Economy and Finance exercises considerable control over other ministries and, when necessary, investigates breaches of budgetary discipline. The fourth actor is the National Assembly, which approves the annual finance bill.

⁷ Loi no. 04-051 portant organisation générale de la défense nationale [National defence organization act], *Journal Officiel* (Bamako), 23 Nov. 2004. National defence was previously regulated by an ordinance issued on 1 Oct. 1999.

⁸ Constitution de la République du Mali [Constitution of the Republic of Mali], *Journal Officiel* (Bamako), 25 Feb. 1992, URL <<http://www.sgg.gov.ml/>>, Articles 44 and 55, English translation available at URL <<http://confinder.richmond.edu/>>.

⁹ Constitution de la République du Mali (note 8), Article 70.

¹⁰ Loi no. 96-060 relative à la loi de finances [Financial law act], *Journal Officiel* (Bamako), 4 Nov. 1996, URL <<http://www.sgg.gov.ml/>>.

Table 6.2. Principal chapters in the budget of the Malian armed and security forces, 2002

Chapter	Item
11: Personnel	Salaries of the armed forces and of the other employees of the Ministry of Defence and Veterans
12: Office stationery	All spending related to the office stationery bureau; clothes and technical and special equipment; food
13: Travel allowances	Fees for travel within and outside Mali; training and lodgings
15: Administrative fees	Honoraria for lawyers and experts; payment of damages to victims of accidents
16: Fuel, transportation and upkeep	Everything related to ground transportation
18: Maintenance	Construction spending; maintenance of military barracks, administrative buildings and garrisons; rent
19: Other spending	Any spending which does not fall within another category; this chapter covers <i>dépenses à bon compte</i> and discretionary spending
26: Health and hospitals	Medical fees for treatment in Mali and abroad
27: Technical assistance	Spending related to technical assistance within the context of military cooperation
28: Contributions to international organizations	Spending related to Mali's participation in international military organizations
31: Investment	Building of barracks; acquisition of heavy <i>matériel</i> ; insurance; etc.
37: Research and development	Spending related to research and analysis aimed at improving the structural and material conditions of the armed forces

Source: Loi no. 01-112 portant loi de finances pour l'exercice 2002 [2002 finance act], *Journal Officiel* (Bamako), 21 Dec. 2001,

The secondary actors in the budgetary process include the Director of Administration and Finance, who is responsible for preparing and implementing the budget of the armed forces and works under the authority of the Minister of Defence; the Director of National Financial Control, who monitors the legality of spending and formally authorizes payments; the Director of the National Budget, who makes money authorized for spending available to the end-users; and the Director of the Public Treasury, who pays the monies approved by the Finance Comptroller.

Since the armed and security forces are neither producers of goods nor, officially, providers of remunerated services, their budget is made up exclusively of charges (costs). In general, there are three categories of funds allocated to ministries: (a) evaluative funds, which cover spending beyond resources appearing in the annual finance act; (b) projected funds, which cover extra-budgetary spending required by changes in prices and inaccurate estimates in the finance act; and (c) limitative funds, which cover spending outside

the other two categories. The armed forces benefit from neither evaluative funds nor projected funds, despite the appearance in the military budget of spending on items, such as legal fees and utilities, which are difficult to assess in advance: thus, the military budget is composed entirely of limitative funds and for this reason is exceptionally restrictive.

The national budget of Mali is structured around functional accounts. Each ministry, including the Ministry of Defence and Veterans (MODV), constitutes a functional account. Funds allocated to the MODV are assigned to different services within the ministry, termed functional units. The Government of Mali allocates spending to the security sector through two ministries: the MODV and the Ministry of Internal Security and Civil Protection. The share of these two ministries in the national budget for financial year (FY) 2002 was 6.49 per cent.¹¹ The budget of the armed and security forces does not include the intelligence service.

Military spending is divided into chapters and sub-chapters according to the nature of the planned expenditure. The budget of the armed forces for FY 2002 includes 29 chapters. Table 6.2 gives the main components of the budget of the armed and security forces in that year.

For a given financial year, in addition to funds allocated for recurrent spending, the finance act may allocate funds to the military sector to meet its enormous investment needs. These funds are either linked to a project authorized by a specific act or are authorized by the relevant authorities, in strict adherence to Mali's code for public works contracts.

IV. The military budgetary process

In May of each year, the Minister of Economy and Finance sends a budgetary planning letter (*lettre de cadrage du budget*) for the forthcoming financial year (which coincides with the calendar year) to all ministries, including the Ministry of Defence and Veterans. This initiates the budgetary process, which is divided into four phases: formulation, approval, implementation and auditing.

The formulation phase

The 1996 financial law act stipulates that, each year, the Minister of Defence should prepare a programme-based budget, made up of objectives, strategies for achieving the objectives and the expected outcomes. Each programme is budgeted for over a three-year budget cycle. In FY 2002 the programme-based budget of the MODV contained five programmes: general administration, management of military operations, army inspection, training and communications. In FY 2002 the budget of the Ministry of Internal Security and Civil

¹¹ Loi portant règlement général du budget d'État 2002 [2002 state budget auditing act], *Journal Officiel* (Bamako), 16 June 2004.

Protection contained three programmes: general administration, order and security, and disaster prevention.

Following the receipt of the budgetary planning letter, the Minister of Defence, taking into consideration the broad objectives of the government, gives instructions to the different units of the armed and security forces to commence budget planning. This is followed by a meeting between the minister and unit representatives in order to determine the overall departmental objectives and the expected policy outcomes for the following financial year. After this meeting, each unit of the military sector presents its draft budget and submits it to the MODV's Director of Administration and Finance, who in turn integrates the submissions into a draft budget. This draft, which must separate recurrent spending on the programmes from investment, is then submitted to the ministry's Department of Budget. The draft budget is subsequently reviewed and scrutinized within the MODV, before being forwarded to the MOEF by the July preceding the financial year.

Once the MOEF has received draft budget estimates from all ministries, the Director of the National Budget convenes a technical arbitration meeting for each ministry. The meeting with the MODV brings together high-level representatives from the various units of the MOEF, the MODV's Director of Administration and Finance, and other high-ranking military personnel. The technical arbitration meeting is followed by a larger budgetary arbitration meeting of officials of the MOEF and the MODV, this time convened by the Minister of Economy and Finance, which finalizes the national budget of the armed forces. These joint reviews, in which budget requests from each ministry are balanced against the resources available and the needs of the other ministries, are an important aspect of the formulation phase.

When agreement has been reached on the defence estimate, the Minister of Economy and Finance forwards it, as part of the annual finance bill, to the Council of Ministers. Following approval at this level, the draft budget is presented to the National Assembly for the approval phase.

The approval phase

In the National Assembly, the military budget is first examined by the Defence and Security Committee. The committee invites the directors of all the main divisions of the armed forces, the army chiefs of staff, the army joint chiefs of staff and the Minister of Defence for discussions on the mission, the annual objectives and the budgetary requirements of the armed and security forces. The committee can propose amendments to the budget or a reformulation of the objectives. Following the work in the committee, the draft budget is presented to a plenary session of the National Assembly for debate and voting. If approved, the budget estimates become the finance act and public dissemination of the act commences.

In the event that the National Assembly does not approve the budget before the beginning of the financial year, the government has 15 days to submit a new draft to parliamentarians in an extraordinary session, who have only eight days in which to approve it. During this period the government is authorized to grant credits on the basis of spending made during the previous financial year. If no decision is taken within these eight days, the budget comes into force without further consultations by the government.¹²

The implementation phase

The 1996 public accounting act determines the rules and principles governing the management of public funds.¹³ Two categories of authority implement the national budget: officials with powers to authorize payments (*ordonnateurs* or directors) and those who monitor how money is spent (*comptables* or accountants). This principle of separation of these two functions is well respected in the armed forces.

The Minister of Defence (an *ordonnateur*) delegates powers for the implementation of financial operations to the Director of Administration and Finance, who supervises all budgetary and accounting operations in the MODV. Each unit of the armed and security forces has a director of administration and finance who is directly responsible for the implementation of the unit's budget. This role of the unit director is complemented by commanders of administrative centres in each military region, who are responsible for financial operations within their region.

The Malian military sector has some peculiar characteristics. One is that military accountants, unlike other public-sector accountants, are not appointed by or with the agreement of the Minister of Economy and Finance and do not take a professional oath (as is required by the 1996 public accounting act for all other public-sector accountants). They are thus not accountable to the Minister of Economy and Finance. Instead, the Minister of Defence, in his capacity as *ordonnateur*, is accountable for the authorizations made in the MODV by all other officials and also for the actions of the *comptables*. These other officials are nonetheless subject to disciplinary, penal or civil procedures, so they do have an impetus to control the financial operations of the units for which they are responsible.

These internal controls by the military hierarchy exist alongside external financial controls undertaken by the General Inspectorate of the armed forces, the Department of Public Accounts, the Department for the General Control of

¹² This practice, with slight modifications, is a common feature of the budgeting laws in nearly all francophone countries in Africa. Abdourhamane, B. I. and Crouzel, I., *A Comparison of the Budget Process in France and Francophone African Countries* (Idasa: Cape Town, 2004), URL <<http://www.idasa.org.za/>>.

¹³ Loi no. 96-061 portant principes fondamentaux de la comptabilité publique [Basic principles of public accounting act], *Journal Officiel* (Bamako), 4 Nov. 1996, URL <<http://www.sgg.gov.ml/>>.

Public Service and the Department of Financial Control. This division is unique to the military sector.

Another characteristic of accounting practice in the military sector is the lack of a division of accounting positions into principal and secondary accountants, as is the case in all other ministries. Instead, commanders of administrative centres have a dual role with implementation (fund authorization) and accounting functions similar to those of principal accountants in civilian administration. Similarly, military accountants are not required to be accredited to an official with power to authorize payments. Thus, the principle of separation of authority between officials who authorize payment and those who oversee how money is spent is compromised, with the consequent implications for accountability.

The final peculiar characteristic is the frequent use of the system of *dépenses à bon compte* (literally, 'cheap' expenditure) by the Malian armed forces. This includes spending for which prior authorization is not necessary. Money received in this way is considered to be a short-term loan and is given to those in need after the presentation of specific official papers. This practice is suitable for units that are far away from the big administrative centres and for issues that require a quick official reaction. On the basis of an agreement between the MOEF and the MODV, members of the armed forces can also benefit from loans from the Treasury's department responsible for investing and lending public money. These loans help to alleviate the harsh conditions of military life, such as the poor food in barracks.

The auditing phase

In order to deal with breaches of budgeting and accounting rules and principles, the state exercises control on aspects of public administration related to the management of public resources. There are three categories of control: administrative, judicial and parliamentary.

Administrative control

In addition to the internal control described above, the armed forces are subject to the authority of the Director for the General Control of Public Service, who ensures that expenditure is kept within approved limits.

Judicial control

According to rules of the Union Économique et Monétaire Ouest Africaine (UEMOA, West African economic and monetary union)¹⁴ and national laws requiring good governance and transparency in the management of public administration, all public accounts must be collated by the Director of the National Budget and submitted to the Supreme Court for auditing. The account-

¹⁴ The members of UEMOA are Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo; see URL <<http://www.uemoa.int/>>.

ing division of the Supreme Court checks these accounts and gives its authorization for the annual auditing bill (*projet de loi de règlement*). The auditing bill certifies the accounts of the financial year and approves any variation from the original finance act. This bill forms the audited accounts of the government. It is required to be submitted to the National Assembly no later than one year after budget implementation.¹⁵ However, it can take several years to prepare and sometimes never gets to the National Assembly.

Parliamentary control

The National Assembly currently exercises control through its accounting division. When irregularities are noted in the report of the accounting division of the Supreme Court, the National Assembly can establish a commission of inquiry. When necessary, the National Assembly can invite witnesses, such as ministers, for oral and written questioning.

V. Assessment of the military budgetary process: legal and de facto procedures

In Mali, as elsewhere, there is a gap between formal rules and procedures and the actual conduct of public affairs. This gap is evidenced by the breaches in the organization and implementation of the military budget. The official toleration of these breaches represents the major weakness in the system.

‘Tolerated derogations’ and off-budget revenue

A key budgeting principle is comprehensiveness: all revenue and expenditure must appear in the budget. This is not always the case in the Malian national budget in general and the armed forces in particular, in spite of the clearly defined legal framework and the procedures and principles analysed above. Although these breaches in procedure are well known, they have often gone unpunished and, as a consequence, have become institutionalized as ‘tolerated derogations’. An important example of tolerated derogation is the use of off-budget income, notably from the public works and developmental missions of the armed forces.

The armed and security forces have a statutory duty to participate in public works as part of their contribution to the economic and social development of the country. The armed forces undertake their developmental mission through activities requested by the government, public administrations or territorial collectives. These activities take place mainly in sectors that are not considered to be cost-effective for profit-driven private companies; nonetheless, they serve as revenue-generating ventures for the military.

¹⁵ Abdourhamane and Crouzel (note 12).

Table 6.3. Deviation of actual military expenditure from budgeted expenditure in Mali, 1999–2003

Figures are in millions of francs CFA and in millions of US\$ at constant 2003 prices and exchange rates.

Financial year	Approved budget		Actual expenditure		Deviation (%)
	m. francs CFA	\$ m.	m. francs CFA	\$ m.	
1999	33 276	62	37 749	70	13
2000	34 311	64	35 346	66	3
2001	34 139	61	33 967	61	-1
2002	35 449	60	36 759	62	4
2003	40 586	70	45 725	79	13

Sources: Lois de finances [Finance acts], *Journal Officiel* (Bamako), 1999–2003; and Lois de règlement [Auditing acts], *Journal Officiel* (Bamako), 2000–04.

One such activity is military engineering undertaken by the central military repair and assembly command. In the three financial years 2000, 2001 and 2002, the armed forces executed public works worth a total of 3.8 billion francs CFA (\$5.5 million). This income did not appear in the national budget. In general, this income is used to cover the costs of the public works; if there is profit, it is invested in maintenance and new infrastructure for the army.

The military also provides an air service to isolated regions of Mali, notably cities in the north. This transportation system is used by the state and by civil servants working in these areas. There is generally no charge for these flights; exceptions include flights for private individuals or companies and use in the fight against locust invasion. When the armed forces are paid, the income, which is used for maintenance works, does not appear in the national budget.

Other sources of income include military assembly and repair shops equipped to build mechanical spare parts for public and private companies. These spare parts are sold but the income does not appear in the budget. Again, the income is used for maintaining old machines and investing in new equipment.

Another off-budget practice relates to private enterprises attached to military units. These privately managed firms include restaurants, leisure and sport centres, and officer's mess used by military personnel and their families and friends. Although these units are considered to be separate legal entities, they receive subsidies from the units to which they are attached and provide services exclusively to the army.

Derogation from strict formal accounting procedures also arises from the armed forces' participation in peacekeeping operations.¹⁶ Although money

¹⁶ As of 31 Dec. 2004, Malian troops were deployed in United Nations peacekeeping missions in Burundi, the Democratic Republic of the Congo, Liberia and Sierra Leone. Department of Peacekeeping Operations, 'UN mission's summary detailed by country', United Nations, New York, 31 Oct. 2004, URL <<http://www.un.org/Depts/dpko/>>.

received for these operations does not appear in the budget, the opportunities for misuse are limited. Nonetheless, this tolerated derogation applies specifically to the armed forces and confirms the relative flexibility enjoyed by the military sector in the observance of certain rules.

In spite of the availability to the military of these off-budget revenues, reported expenditure on approved items frequently exceeds the budgeted amount. This could be a result of the lack of comprehensiveness in the budget at the formulation stage or a lack of financial discipline in the armed forces. Table 6.3 shows that overspending occurred in four of the five years reported there.

External assistance

The official budget of the armed and security forces (as it appears in the annual finance act) is only a fraction of the economic resources dedicated to military activities in Mali. The bulk of the country's military equipment is supplied by external sources, especially France. Mali also receives military assistance from countries with which it has binding military assistance and cooperation protocols.¹⁷ This assistance covers training, equipment, manoeuvres and peacekeeping operations.¹⁸

Limited transparency and accountability

From independence until 1991, the political history of Mali was largely the history of the relationship between the armed forces and the state's other institutions. This situation changed during the transition from military to civilian rule in 1991–92. Since then the armed forces have been progressively brought back into line with the general rules and principles guiding the national budgeting and accounting system, especially those concerning the implementation of the budget. Evidence of this normalization includes the abolition of the army's special code for public works contract and the imposition of a single national code.¹⁹ In 1991 Mali adopted a single accounting system, a key feature of which was that it made the inventory and tracing of state holdings, notably furniture and real estate, easier and more reliable. In principle, this new system strengthened the management of military equipment, which should now follow the general guidelines defined by the Ministry of Economy and Finance.²⁰ This trend has been consolidated with a series of reforms of the public sector with a view to promoting transparency and accountability in the use of public resources.

¹⁷ These countries include Algeria, China, Egypt, Germany, Russia, Tunisia and the USA.

¹⁸ The armed forces do not benefit from Mali's national Special Investment Budget, which represents 95% of the investment capacity of the country. Eighty per cent of the fund is financed by external assistance. *Lois de finances* [Finance acts], *Journal Officiel* (Bamako), 1999–2003.

¹⁹ See note 1.

²⁰ Presidential Decree no. 91-275/PM-RM, *Journal Officiel* (Bamako), 8 Sep. 1991.

However, in spite of these changes, there is little evidence that the process of budgeting is either transparent or consultative. State budgeting is still largely a private affair of the executive, with limited room for accountability. While this is a result of the powers conferred on the executive by the constitution, the existence of secrecy laws and the general reluctance to share public expenditure information with civil society, especially the media, prevent broader participation in the process. In addition, the special role of the military accountants contradicts the principle of separation of functions between officials who can authorize the release of funds and those who oversee how funds are used. The introduction of an anti-corruption agency by President Konaré in 1992 was meant to stem the rampant corruption in the public sector. The military sector, with all the secrecy surrounding its activities, is most susceptible to corruption, and the dual role of military accountants can only further erode the possibility of accountability.

In 1992 the MOEF established within the principal ministries—including the MODV—a delegation for financial control. The delegation's duty is to monitor and control all the financial operations in the ministry and to establish, jointly with the ministry's Director of Administration and Finance, a quarterly table of financial operations. The head of the delegation delivers authorizations for spending, public tenders and contracts and is accountable to the Director of National Financial Control, under the direct authority of the Minister of Economy and Finance. This new system aimed to increase transparency and accountability in the management of public spending, including the armed forces.

However, most accountants and many other actors in the military budgetary process only rarely report to the accounting section of the Supreme Court, as they are required by law to do. The military sector ought not be treated any differently from other parts of the public sector in terms of the level of resources granted and the application of sound public expenditure management principles.

Weak parliamentary oversight

The main reason for producing a comprehensive budget is that the National Assembly needs to have a complete picture of government income and expenditure in a single document in order to be able to exert control over spending. However, regular resort to extra-budgetary spending has left the National Assembly uninformed about true government financial operations. The various sources of off-budget income described above are beyond the reach of the legislators as they have little or no say in the management of the armed forces, including policy development. This is in part caused by a lack of expertise among legislators and by the absence of the resources needed to employ experts to support the National Assembly's oversight work. More importantly, it is a consequence of the powers granted by the constitution to the executive in state matters generally and for the security sector in particular. In many cases the

National Assembly acts simply to rubber stamp executive decisions on security issues.

While legislators are able to discuss the military budget, the executive can ignore their suggestions and is not bound by any amendments made. Even if the National Assembly refuses to approve the budget, the executive can simply continue to spend state funds without their consent after a pause of only a few days. Similarly, the audited accounts of the government, which should be presented to the National Assembly for approval within one year, are either late or do not arrive at all. The National Assembly has no power to sanction the executive for this failure.

Politicization of public service

Nepotism and political bias in public appointments in Mali, as elsewhere, breed mediocrity and encourage situations in which key technical decisions are informed by political interests that often contradict formal principles, planned budget objectives and accounting norms. Added to this is the fact that certain authorities and individuals appear to be untouchable by the law, even in the face of glaring mismanagement. This serves to dampen the morale of public sector workers, including those in the military sector, and encourages further derogation from formal rules. Counteracting impunity remains a key challenge of government reform in Mali.

VI. Conclusions and recommendations

While military budgeting and accounting in Mali obey the general guidelines set out in the 1996 financial law act and the 1996 public accounting act, there are still derogations from formal rules, as the above analysis shows. Although the fundamental principles of the financial law act are generally respected by the armed forces, the public accounting act is almost always violated. If the latter act is to be fully enforced in the military sector, profound adjustments and reforms will be needed.

Many of the weaknesses in the budgetary process of the armed and security forces are not specific to the sector but are common across the Malian political and administrative systems. The general accounting principles and budgeting guidelines are compromised by informal practices that persist mainly because of weak hierarchical control, an absence of effective judicial control and limited parliamentary control. Weak state authority, the lack of civic education for military and civilian officials, corruption, and financial delinquency are still widespread in the country despite the stated commitment of the political leadership to sanitize public life. The lack of capacity in several key areas of the system appears to be the major cause of these problems.

If implemented, the following recommendations would improve accountability and transparency in the military budgetary process.

1. Human and institutional capacity in budget administration should be strengthened.

2. The overall public administration structure, including the armed forces, should be depoliticized.

3. Rules related to accountability and transparency in the military sector should be progressively standardized. In addition, good governance in military budgeting is only likely to produce long-lasting benefits if ongoing efforts to reform budgetary processes in public administration are accompanied by a realistic redefinition of the optimal conditions of efficiency, accountability and transparency.

4. The progressive improvement in the management of public spending and resources will depend heavily on the outcome of ongoing structural adjustment programmes and poverty-alleviation initiatives. Hence, it is imperative to interlock national commitment with international engagement from the World Bank, the International Monetary Fund, the European Union and other bilateral partners. In essence, the Government of Mali, however well placed, cannot act alone.