



Government of Mali  
Ministry of Environment  
Permanent Technical Secretary for Institutional Management of Environmental Issues



# Clean Development Mechanism in Mali

Investment for Sustainable Development

## Contacts



Malian DNA:

### Ministère de l'Environnement et de l'Assainissement

Secrétariat Technique Permanent du Cadre Institutionnel  
de la Gestion des Questions Environnementales (STP/CIGQE)  
Bamako, Republic of Mali  
BP 2357  
Tel. +223 233 1074  
Fax +223 233 5867  
stp@timbagga.com.ml

### Mali-Folkcenter

BP E4211  
Bamako, Republic of Mali  
Tel: +223 220 0617  
Fax: +223 220 0618  
www.malifolkcenter.org

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## Mali overview

### Geography

Mali is a landlocked nation in western Africa, and the seventh largest on the continent. It borders Algeria, Mauritania, Niger, Burkina Faso, Guinea, Côte d'Ivoire and Sénégal. Its northern borders stretch into the Sahara Desert, while its southern regions, where most of the population lives, features the Niger and Sénégal Rivers. French is the official language.

### Political & Macroeconomic stability

Mali has achieved a remarkable political transformation with an increasingly strong democratic process throughout the 1990s, culminating in the peaceful transfer of power between two democratically elected leaders in 2002. This has placed Mali in the forefront of African countries, moving to a truly democratic and pluralistic system, and providing a strong base for further economic and institutional reforms under the leadership of a committed government.

Real GDP growth in Mali has averaged about 5 percent per annum between 1992-2002, enabling real per capita GDP (currently US\$300 in 2004) to rise by 2.5 percent per year. This favorable performance can be attributed to the restoration of political and social stability and effective implementation of macroeconomic stabilization and economic liberalization policies since the 1994 devaluation of the African Financial Community (CFA) Franc. The country has also made significant progress in implementing an ambitious privatization program. These achievements have enabled Mali to strengthen the foundation for a market-oriented economy and have encouraged private sector development.

### Private Sector & Investment Framework

While most of Mali's economy remains in the informal sector, the Government has focused on creating a legal and regulatory framework conducive to private sector development. Mali has attracted private investment in the gold, telecommunications, energy and water sectors, as well as large external funding in infrastructure. Measures have been taken to address core labor standards and to harmonize the legislative and regulatory environment under the Organization for the Harmonization of Business Law in Africa (OHADA) Treaty. The Government instituted a public enterprise reform action plan for 1999-2002 to re-



duce the number of state-owned enterprises from 33 to 18. Currently, the Government retains a majority holding in 10 non-bank enterprises and a minority holding in 8. There are no limits on the inflow or outflow of funds for remittances of profits, debt service, capital, capital gains, etc.

### Energy Sector

The Government has made steps to reform and increase the efficiency of the energy sector. In 1999, it elaborated a policy with the following goals: (i) sector liberalization; (ii) institutional reforms to orient the state's responsibility to activities of a strategic and regulatory nature; (iii) valorization of natural resources (renewable energy, hydropower); (iv) protection and sustainable exploitation of forestry resources that benefit rural populations; and (v) pursuit of petroleum research.

The Government restructured the power sector in 1999 by adopting a new Electricity Law that ended a monopoly by state power utility, Energie du Mali (EDM), and opened up the sector to competition. In December 2000, EDM was privatized and electric tariffs increased to reflect economic cost.

Mali's domestic energy supply consists mainly of biomass (fuelwood, charcoal, agricultural and agro-industrial residues), hydro and solar energy. Presently, only biomass for household energy and hydro for electricity generation are exploited on a significant scale.

## CDM Potential in Mali

Through a joint initiative of the United Nations Environment Program (UNEP) and the World Bank Community Development Carbon Fund (CDCF), capacity has been built among local experts and governmental authorities to engage in CDM. **The Carbon Finance for Sustainable Energy Services in Africa (CF-SEA) Project**, which ran from mid-2005 through 2006, assisted Malian project developers to identify, prepare, and take to market specific carbon projects in the energy sector.

Three capacity development workshops co-hosted by UNEP/UNEP-Risoe Center, the Malian Ministry of Environment, and the World Bank were organized in Bamako during the Project. These were attended by participants from the private/financial sector (including cotton and sugar industry representatives and some local banks), civil society, government, and consultancies.

With the support of Eenergy International Corporation, the Mali Folkecenter assisted a number of developers in the furtherance of CDM project concepts and in the preparation of four Project Idea Notes (PINs). All the projects developed included an electricity generation component,



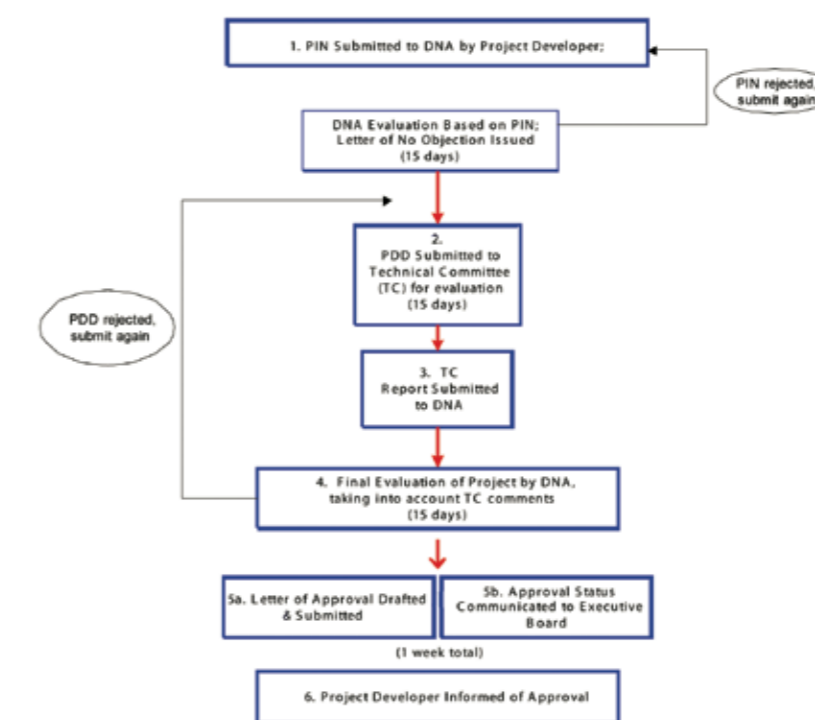
and benefited local communities. The Bank's Spanish Carbon Fund approved one of these projects by for an eventual emission reduction purchase.

Mali's energy sector has the potential to develop over 200MW of CDM-eligible projects that could generate an estimated delivery of over 1 million certified emission reductions (CERs) by 2012. As of 2007, Mali's CDM portfolio includes roughly 20 potential projects, mainly in the area of hydropower, biomass cogeneration and municipal solid waste management. Considerable potential also exists in the forestry sector. A complete, updated project portfolio is included in this folder.

## Introducing the DNA

The Malian Designated National Authority (DNA) for CDM is housed within the Secrétariat Technique Permanent du Cadre Institutionnel de la Gestion des Questions Environnementales (STP/CIGQE), part of the Ministry of Environment. A National CDM Committee convened by the STP/CIGQE includes representatives from several relevant ministries, as well as from the financial sector, project developers, and the NGO community. The Permanent Secretary of STP/CIGQE serves as head of the DNA, and the CDM Focal Point as Vice-President. Through the CF-SEA Project, the DNA was formalized by ministerial decree in December 2005, and has capacity to function as an agency for the review and approval of CDM projects in Mali.

The DNA and its CDM Committee's role is to evaluate and approve potential CDM projects as presented by developers, as well as to promote the CDM through a communications and investment promotion campaign. The DNA has developed a capacity building and outreach strategy to enhance the CDM approval procedure, stimulate new CDM projects, and facilitate the implementation of existing ones. UNEP and the World Bank CF-Assist Program have committed funds to support this strategic plan for 2007-08.



### CDM Approval procedure

The project approval procedure involves the development of two key CDM project documents: A Project Idea Note (PIN) and a Project Design Document (PDD). The DNA will issue initial **Letters of No Objection** to those potential CDM projects meeting Mali's sustainable development criteria (see below), following a preliminary review of acceptable PINs submitted by developers. Such projects are subsequently reviewed in detail by a DNA Technical Committee based on the submission of a PDD.

A formal Letter of Approval is issued by the DNA following the recommendation of the Technical Committee. The entire approval process is designed to take no longer than 8 weeks.

Mali's interim criteria for the sustainable development screening of projects include:

**Local Environment.** The project positively contributes to the local environment.

**Social & Economic Well Being.** The project benefits the local economy and generates positive social impacts (i.e., access to decentralized energy, development of forests, etc).

**Value Added.** The CDM could provide an additional and value-added source of revenue to the project, rendering an otherwise unattractive project more viable.

**Technology Transfer.** The project provides an opportunity for the diffusion of new technologies in Mali, such as those improving energy efficiency, sustainable forestry, and restoration of national lands.