

Mali

Population ¹	19,077,690
Area (km ²) ¹	1,240,190
GDP per capita (USD) ¹	894.80
TES (Mtoe) ²	5.29
Energy intensity (toe/10 ³ 2015 USD) ²	0.35
CO ₂ emissions - energy (MtCO ₂) ³	5.6

Data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021⁴

Target industry	Number of projects and deals	Project CapEx and deal value (million EUR) by source country
Electric power generation, transmission and distribution	3 new projects	United Kingdom and France: 1 RE project of 213.2 mEUR Norway: 1 RE project of 52 mEUR Germany: 1 RE project of 15.8 mEUR
Support activities for other mining and quarrying	1 acquisition deal	United Arab Emirates: 1 deal of 5.8 mEUR

Sources:

1. The World Bank 2018
2. ©IEA (2021), World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.
3. ©IEA (2021), CO₂ Emissions from Fuel Combustion (<https://www.iea.org/data-and-statistics>). All rights reserved.
4. Orbis Crossborder Investment (2021), Bureau Van Dijk. Mali is the destination country of the investment. Data represents the period 1 April 2015 - 1 April 2021 (accessed on 1 July 2021). For more information see Annex II of this report.

RE: Electricity generation from renewable resources

Mali's overall risk level against the assessed areas is **moderate**.

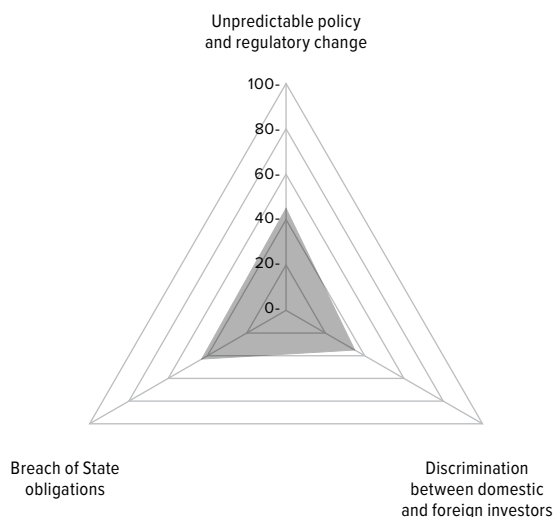
Of the three risks assessed in EIRA, *discrimination between domestic and foreign investors* is lower compared to *breach of State obligations* and *unpredictable policy and regulatory change*.

Mali's performance is good on one indicator, and it is moderate on three indicators. *Regulatory environment and investment conditions* is the highest-scoring indicator with a score of 79, followed by *management of decision-making processes* at 59. Its score on *rule of law* is 57, while on *foresight of policy and regulatory change* it is 55.

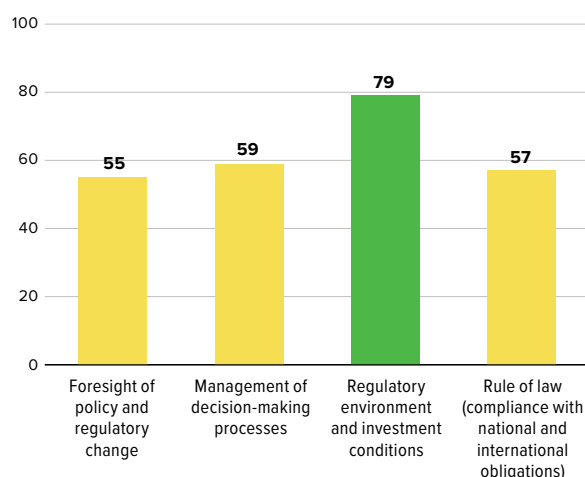
On a more detailed level, Mali's overall sub-indicator performance is moderate. The highest-scoring sub-indicator is *restrictions on FDI* at 80, followed by *regulatory effectiveness* at 78. Its score on the sub-indicator *institutional governance* is 75. On the sub-indicators *respect for property rights* and *robustness of policy goals and commitments*, it has received scores of 58 and 56, respectively. On *management and settlement of investor-State disputes*, its score stands at 55, while on *communication of vision and policies* it is 53. The lowest-scoring sub-indicator is *transparency* at 43.

While there are some policies and measures in place, more concrete steps must be taken to strengthen Mali's performance across all indicators and underlying sub-indicators. Particular attention must be given to enhancing transparency in the country.

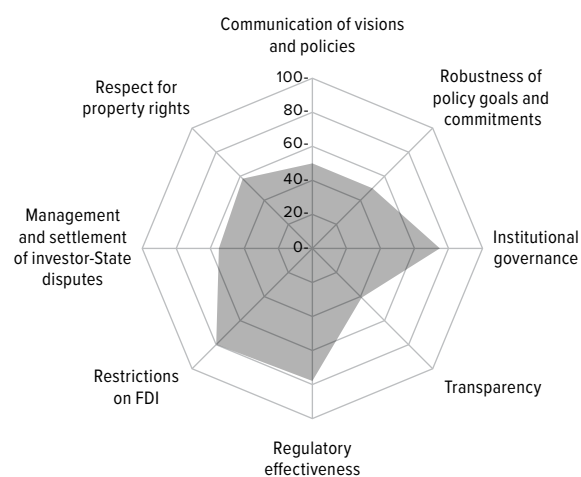
RISK LEVEL



INDICATOR PERFORMANCE



SUB-INDICATOR PERFORMANCE



Foresight of policy and regulatory change

QUICK FACTS

The National Energy Policy (PEN) of 2006 sets the path for Mali's sustainable development through affordable and reliable energy services. In 2009, the National Energy Sector Policy Letter was adopted to support the PEN.

Mali signed the Paris Agreement in 2016 and submitted its NDC.

STRENGTHS

The PEN's key objective is to meet the country's energy needs at an adequate quality, quantity, and cost. Its ultimate ambition is to reduce poverty and boost the national economy. To achieve these objectives, the Government has adopted measures such as tariff reforms, development of additional hydro, solar, wind, biomass and thermal capacity, reinforcement of the power system infrastructure, and strengthening interconnections with neighbouring countries. Additionally, the National Renewable Energy Action Plan of 2015 outlines the targets and measures to increase on-grid and off-grid renewable power generation and expand the use of efficient cookstoves. The Government is undertaking various initiatives, with technical and financial support from bilateral and multilateral organisations, to scale up the deployment of renewables. For instance, the West African Economic and Monetary Union (WAEMU) has subsidised the implementation of a photovoltaic electrification programme and the construction of hybrid (solar/diesel) power stations supplying mini-grids to 13 rural communities.

The Ministry of Mines, Energy and Water (MMEE) is in charge of policy formulation, monitoring and evaluation. The Malian Agency for Domestic Energy and Rural Electrification (AMADER) and the Agency for Renewable Energies (AER) hold distinct policy implementation roles. AMADER leads the rural electrification schemes under 250 kW and is the regulator for rural electrification. Currently, it is working on the Rural Electrification Hybrid System Project to expand access to modern energy services in several areas. On the other hand, AER has initiated partnerships with international actors to assess the country's readiness to develop the renewables sub-sector.

AREAS FOR IMPROVEMENT

The Government should develop a power sector policy that captures the entire spectrum of renewable solutions (hydro- and non-hydro) and is well-coordinated with other sectorial strategies. This policy should be based on a country-wide and in-depth assessment of the country's abundant bioenergy resources.

The development of a sound renewable energy policy presupposes reliable and up-to-date data to assess critical energy sector indicators. The Government should secure funding to reinforce the statistical capacity-building activities on energy data collection, processing and dissemination.

Management of decision-making processes

QUICK FACTS

The National Direction for Energy in the MMEE is responsible for policy formulation and coordination in the energy sector.

The Agency of Environment and Sustainable Development of the Ministry of Environment, Sanitation and Sustainable Development focuses on biodiversity preservation and climate change.

STRENGTHS

In 2019, the Government released its Strategy Framework for Economic Recovery and Sustainable Development for 2019-2023 to strengthen economic growth, institutional development, and governance. The Agency for the Promotion of Investment (API) has considerably facilitated business functioning as a one-stop shop and single window for prospective investors. With the support of the United Nations Development Programme, the Government is revising its NDC targets in the agriculture, energy, and land use, land-use change and forestry (LULUCF) sectors. It is committed to conducting extensive consultation at the national and sub-national level to ensure the NDC is gender-sensitive and aligned with the country's sustainable development priorities.

In 2019, the Government held a public consultation on proposed amendments to the Mining Code. Ministries and State agencies, including the Water and Electricity Regulatory Commission (CREE), maintain functional websites where they publish all the relevant legal and regulatory texts, as well as reports on their activities. The independent General Auditor conducts an annual review of public spending, while the Directorate-General inspects public procurement contracts. At the same time, the Regulatory Authority for Public Transactions (ARMDS) is tasked with ensuring transparency and efficiency in public procurement projects.

AREAS FOR IMPROVEMENT

The Government should enact an overarching law on access to information to improve accountability, transparency and efficiency at the administrative levels. The law must define the scope of application, a narrow list of exceptions and the procedure to obtain information.

Mali must adopt a law that makes regular public consultation on draft legislation and regulations mandatory. The law should prescribe definitive timeframes to receive feedback from the public. The length of stakeholder consultations should be proportionate to the nature of issues raised and the number of people likely to be affected.

Regulatory environment and investment conditions

QUICK FACTS

CREE was established through Order No. 00-021/PRM of 15 March 2000 to regulate electricity and water services in urban areas.

Law No. 2012-016 dated 27 February 2012 introducing the Investment Code encourages direct investment and guarantees equal treatment (2012 Investment Code).

STRENGTHS

CREE is an independent legal entity endowed with functional and financial independence. Its members are selected on non-discriminatory qualification criteria following an open competition, and their mandate is time-bound. CREE's finances are scrutinised by two State auditors appointed by the Prime Minister of Mali and certified by external auditing firms. The annual audit report is submitted to the President of the Accounts Section of the Supreme Court and, consequently, published on CREE's website.

The 2012 Investment Code guarantees equal treatment to private firms and State-owned enterprises in terms of financing, land access, and taxation. Domestic and foreign investors enjoy a number of tax and customs incentives depending on the licensing scheme they fall under (A/B/Free zone). Imports of solar energy materials benefit from special tax treatment. Except for the mining and media sectors, foreign investors are entitled to full ownership of any business and equity holding in State companies. The power sector has been liberalised since 2000, and guidelines regarding general pricing, tendering processes and grid connection fees are in place. As a member of the Economic Community of West African States, OHADA and the WAEMU, Mali receives benefits such as lower trade barriers and harmonised monetary, bankruptcy, and accounting principles. Capital, profits, and payments are freely transferable outside the country.

AREAS FOR IMPROVEMENT

In light of the growing need for investment in clean and cost-effective energy production, the Government should consider adopting additional incentives and measures to offset risks taken by renewable energy investors. Priority areas should include financing and guarantee mechanisms, certification and normalisation, and developing a standardised Power Purchase Agreement to improve the bankability of new projects.

Rule of law

QUICK FACTS

Mali ratified the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States in 1978.

Mali acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1994.

Mali is a member of OHADA since 1995 and has ratified the 1993 Treaty creating the Joint Arbitration Court.

STRENGTHS

The 2012 Investment Code states that investors may submit disputes, among other forums, to the local competent court, ICSID arbitration, or the procedural rules available under the OHADA Uniform Act on Arbitration. Commercial courts have been established in key locations to handle cases involving foreign investors, including IP disputes. Magistrates, assisted by the Chamber of Commerce members and industry representatives, conduct hearings on commercial disputes. The ARMDS hears complaints regarding transparency in public procurement projects. Since January 2021, the ARMDS has already heard more than ten cases challenging the outcomes of public tenders.

National law offers guarantees against illegal expropriation. Deprivation of private property is allowed only in large-scale projects of national interest, in the case of bankruptcy or upon an investor's non-compliance with contractual terms. Any expropriation must always be upon the payment of due compensation. Mali is a member of the African Organisation of Intellectual Property and, hence, bound by the Bangui Agreement. Domestically, the Office of the Rights of the Author and the Centre for the Promotion of Intellectual Property are responsible for promoting and protecting IP rights.

AREAS FOR IMPROVEMENT

The Government should extensively reform the judicial system by ensuring the independent selection and proper training of magistrates and introducing timeframes to examine cases and deliver judgements.

The Government may also consider establishing an investment ombudsperson to mediate between investors and State authorities. Such a body will help investors overcome bureaucratic obstacles and address issues arising during investment activities.