



**MILLENNIUM
CHALLENGE
CORPORATION**
REDUCING POVERTY THROUGH GROWTH

 **Fact Sheet**
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Mali and Millennium Challenge Corporation: Building a Dynamic Partnership for Poverty Reduction through Economic Growth

The Millennium Challenge Corporation (MCC) has signed a five-year, \$460.8 million Millennium Challenge Account Compact to reduce poverty and increase economic growth in the Republic of Mali.

Background

Mali, one of the poorest countries in the world (\$380 per capita income), has made significant political, social and economic progress in the past decade. However, it remains dependent on low value agriculture products (mainly staple crops, livestock and fishing) that are vulnerable to erratic weather patterns. Mali also has a small and constrained industrial base, is land-locked and isolated from international markets and trade. This Compact aims to reduce poverty through economic growth by increasing production and productivity of agriculture and small- and medium-sized enterprises, as well as expanding Mali's access to markets and trade. These investments will support the development of key infrastructure and policy reform for productive sectors, by addressing the country's constraints to growth and capitalizing on two of Mali's major assets, the Bamako-Sénou International Airport, gateway for regional and international trade, and the Niger River for irrigated agriculture.

Alatona Irrigation Project (\$234.6 million)

The Alatona irrigation project is focused on increasing production and productivity, improving land tenure security, modernizing irrigated production systems and mitigating the uncertainty from subsistence rain-fed agriculture, thereby increasing farmers' incomes. It seeks to develop 16,000 hectares of newly irrigated lands, representing an almost 20% increase of "drought-proof" agriculture in the Office du Niger area. The Alatona irrigation project will introduce innovative agricultural, land tenure, credit and water management practices, as well as policy and organizational reforms aimed at realizing the Office du Niger's potential to serve as an engine of rural growth for Mali.

Airport Improvement Project (\$89.6 million)

The airport improvement project will remove constraints to air traffic growth and increase the airport's efficiency in both passenger and freight handling through airside and landside infrastructure improvements, as well

as the establishment of appropriate institutional mechanisms to ensure effective management, security, operation, and maintenance of the airport facilities over the long term.

Industrial Park Project (\$94.3 Million)

The industrial park project, located within the airport domain, will develop a platform for industrial activity (100 hectares initially) to meet the high and growing demand for industrial land. The industrial park will be an anchor for a growing industrial sector, particularly in agro-processing, thereby alleviating a key constraint to value-added production and economic growth. Reliable provision of utility services, including electricity, water, and telecommunications, will increase business productivity. This project will leverage national reforms in the business sector, reducing the cost and time to register a business, and enhance management and efficiency of the industrial sector.

This Compact also includes support for program management, oversight, and monitoring and evaluation totaling \$42.3 million

Expected Results

Through this program, MCC and the Government of Mali will help hundreds of thousands of Malians improve their standard of living. Specifically, the Compact will:

- Improve incomes of 40,000 poor farmers, family members and laborers who cultivate crops in the irrigation zone,
- Improve access to markets by farmers throughout the country whose products can be processed at the industrial park, and exported through the airport.
- Improve road links for more than 100,000 school-aged children and family members who will have better access to basic education, health services, markets, as well as potable water that will be provided in the irrigation zone.
- Assist small and medium-sized businesses to flourish creating 7,000 new jobs at the industrial park, 18,000 new jobs in tourism sector, and 60,000 new jobs related to increased trade.

This program will help transform Mali by empowering one of world's poorest countries to improve trade links and develop a platform for value-added manufacturing, while providing food security and higher incomes by increasing agricultural production and diversification into higher value crops. Finally, this program will serve as a catalyst for change, by creating sustainable economic growth and poverty reduction through secure property rights for farmers and their families, effective management of key infrastructure, and an improved business climate.

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Millennium Challenge Corporation (MCC), a United States government corporation designed to work with some of the poorest countries in the world, is based on the principle that aid is most effective when it reinforces good governance, economic freedom, and investments in people that promote economic growth and elimination of extreme poverty