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Taxation and Budgetary Expenditure in Malian Communes - Financial Analysis of Management Accounts

Fiscalite Et Depenses Budgetaires Des Communes Du Mali-Analyse Financiere Des Comptes De Gestion

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Abstract :
In this article, we seek to analyze the financial management of local authorities with the aim of understanding the challenges linked to the mobilization of resources both internal and external to the municipalities and possibly making policy proposals and/or recommendations. Also, it is important to make a contribution to the scientific literature through this empirical study based on data from the management accounts of the 703 municipalities in Mali in 2020.
To analyse local taxation, we used the fiscal-financial methodology, which is based on the calculation of financial ratios with a view to carrying out a diagnosis of local communal finances, according to analysis grids of varying degrees of detail, with the aim of being both accessible and appropriable, for and by elected representatives and territorial agents. The financial analysis used is based on several techniques, namely (i) retrospective financial analysis based on past results, (ii) prospective financial analysis to analyse the fiscal situation and establish financial diagnoses, measure potential and build forward-looking scenarios, (iii) temporal financial analysis, and (iv) spatial financial analysis (Souki, 2010). Each of these techniques can be used to draw up performance indicators, provide budgetary control tools and make comparisons between local authorities. By using the management accounts of the communes, retrospective financial analysis has been more or less favoured.
In total, Mali's local authorities (regional councils, district councils and communes) have planned to spend nearly 534.14 billion CFA francs[1], compared with 283.54 million CFA francs in 2020. Actual expenditure amounted to 270.23 billion fcfa. Transfers to local authorities, the largest item of budget revenue, rose from CFA F 90 billion to CFA F 205 billion. Local authorities were able to raise just over CFA F 29 billion in tax revenue in 2020.

Keywords : Decentralization-Taxation-Transfer-Development-Community

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1. INTRODUCTION

[1] 1$=598.8 CFA francs on this day Monday, 5/08/2024

By engaging in decentralization, Mali probably did not measure all the pitfalls to overcome to achieve the ultimate goal of bringing the administration closer to its citizens. This proactive policy is consistent with, among other things, the creation of an adapted local tax system since the communities thus created must face the development challenges through construction and the rehabilitation, including basic social infrastructure (schools, health centres, water supply, etc.).

In 1995 and again in 2017, Mali adopted the Code of Local Authorities which resulted in the creation of 682 new municipalities by Law No. 96-059 of 4 November 1996, which brings to 703 communes in the Republic of Mali. The resources were determined by Law N°96-051 of 16 October 1996 determining the fiscal resources of the municipalities and the conditions for an autonomous management of the TCs (Law N°2017-051 of 2 October 2017 on the Code of Local Authorities). Three levels of CT (commune, circle and region) In addition to the district of Bamako, each with legal personality and financial autonomy and benefiting from transfer of powers by the State were created.

As at the national level, communities are developing the execution and control of budgets, which are the instrument for planning and implementing local development programmes and projects. This is how different stakeholders are involved in the budgeting process, from local elected officials to community officials, The State officials and technical and financial partners working in the community area. The resources of the municipalities come from 4 main sources determined by legislation, namely local taxation, estate and exploitation products, State subsidies and loans (for investments only).

Problematic

Decentralization and local taxation go hand in hand, in the sense that there can be no delegation of power and responsibility to local authorities (LA) without making financial resources available to them Part of the funds are drawn from their territory to finance basic social services The Ministry of Education and Science (INEM) is responsible for the implementation of the Community's Social Policy.

Research questions

After several decades of implementation of decentralization, what about the financial management of municipalities in Mali?

Specifically:

- Are the LA able to sufficiently mobilize resources (internal and external)?
- What are the obstacles to mobilizing these resources?
- Are the municipalities of Mali efficiently managed with a view to initiating their local development?

The answer to such a question leads us to the analysis of the management accounts of all these municipalities. The analysis of community management accounts presents important issues, namely the low solvency risks but also the level of self-financing and room for maneuver of communities.

Objective

Just like businesses, communities run financial risks of deterioration in public services and investment, increased taxes or even medium-term insolvency. Like businesses, local authorities are exposed to financial risks of deterioration in public services and investment increased taxes or even medium-term insolvency. Thus, the analysis of management accounts aims to examine both the limits of accounting information and its consequences on the methods used as to analyze the balance sheet and the situation The financial situation of a community is also considered.

In this vein, we seek to analyze the financial management of local authorities with the aim of understanding the challenges linked to the mobilization of resources both internal and external to the municipalities and possibly making policy proposals and/or recommendations.

This article on taxation and budgetary expenditure of the municipalities is structured in three main parts, namely the methodological approach, the results and the conclusions.

2. METHODOLOGICAL APPROACH

The methodology of analysis of accounts is based on financial ratios and statistical treatments in order to carry out a diagnosis of local finances, according to more or less fine analysis grids, with the objective of being both accessible and approachable, for and by elected representatives and territorial agents. The methodology, while using ratios to inform the financial situation of communities, also integrates the vision and methods of practitioners through series of qualitative interviews with professionals in order to better understand the reality of risks, the value of the methods and the limitations of accounting information.

The data comes in part from the budgetary forecasts of the municipalities of Mali obtained from the management accounts of the national treasury department and public accounting for the 2020 budgetary year. The choice of this year is not trivial because it is of the year for which we have practically all the management accounts of the 703 municipalities in Mali.

1.1. Types of Financial Analysis for Local Authorities

The literature lists different types of financial analysis of communities in time and space. Thus, one can rank the financial analysis of communities in budget analysis versus financial analysis. If the first allows to identify over several years the evolution of the main real expenses and revenues, to measure the level of service rendered to the population, to assess the community's investment effort, to characterize its preferred modes of intervention and to identify the sectors of activity where it concentrates its efforts, the second one, based on the budgetary analysis, to verify that the actual recurring operating revenue covers in full the actual recurrent operating expenditure and the repayment of the principal of the debt, to verify that the recurrent operating resources generate in addition a residual amount called savings or self-financing intended to finance all or part of the investments of the year.

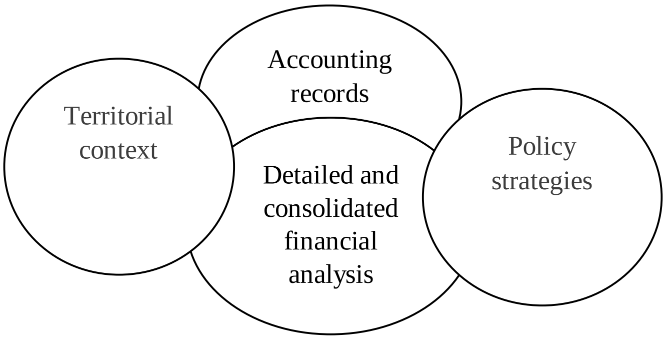
Financial analysis uses several techniques, namely (i) retrospective financial analysis based on past performance, (ii) Forward-looking financial analysis to analyze the fiscal situation and establish financial diagnoses, measure potential and construct scenarios; (iii) temporal financial analysis, and (iv) spatial financial analysis (Souki 2010). Each of these can be used to establish dashboards, provide tools for budgetary control and allow comparisons between communities.

For this study, we will focus on retrospective financial analysis based on financial ratios and statistical treatments in order to make a diagnosis of local finances. This analysis is carried out in two stages, namely (i) the analysis of ratios and data, and (ii) the analysis of all accounting documents, political motivations, but also with a survey of the territorial specificities of communities e.g. mining, industrial, important road axes, universities, health, Social housing, etc. For Klopfer (1992), whatever methodology is used, retrospective financial analysis allows different types of ratios to be calculated. These are the classic ratios, such as the level of debt related to the population of the municipality, the repayment annuities related to real operating revenues, the gross self-financing ratio to actual operating revenues, the level of service rendered measured by the actual operating expenses in relation to the population of the municipality, the tax potential mobilization coefficient measured by the revenue from taxes relative to the tax potential.

2.2. Ratio analysis

The analysis of the fiscal and financial situation of municipalities is done in two main stages, namely the analysis of ratios and data and the analysis of all accounting documents, The Commission's proposals for a new Community Action Programme are based on the principle of subsidiarity.

Figure 1. Stages of the fiscal and financial analysis of municipalities



<u>Source</u> : Adapted from Souki (2010)

The Last Stand (2010), the financial analysis and management ratios of municipal budgets are policy decision-support tools that are used as inter-community comparison tools, The Commission's proposals for the European Union's Social Charter are a good example of this. These ratios also allow for the assessment of a community's financial situation and the determination of each community's tax potential, The Federal Government has been asked to give a general assessment of the rate of unemployment in the Federal Republic of Germany, and of all the communities from the minimum and average rates.

Three main groups of indicators for the fiscal and financial analysis of communities will be pursued, namely: fiscal solvency (or the ability to have a balanced budget over the year), the flexibility ratios and other ratios. Fiscal solvency can be measured by four main ratios, namely:

- the ratio of gross savings to operating income, which must be above a threshold for solvency to be considered good
- the weight of capital expenditure or gross equipment expenditure/operating revenue
- the ratio of tax revenues or tax receipts/operating revenues
- the share of revenues from the State or transfers from the State/ operating revenue.

The ratios of margins of manoeuvre (considered broad, moderate or restricted according to certain thresholds) are defined by several ratios including:

- the coefficient of mobilization of tax potential or local tax revenue/ tax potential
- Current cash-flow margins or operating expenses/operating revenues
- the rate of incompressibility of expenses or (personnel expenses + quotas) / operating expenses or rigidity of structural charges or (personnel costs + quotas and compulsory contributions) / operating revenue
- the share of capital expenditure or total capital expenditure/expenditure

Other ratios are measured by:

- Level of service rendered or operating expenses / population (compared to national average)
- investment effort or Capital expenditure / population
- the level of local taxation on persons or income taxes on persons/population, etc.

These indicators can be divided into different categories according to Souki (2010). Thus, in a first step, it serializes them in ratios of nature and function. The first category consists of level or size ratios, structure ratios and rotation ratios. The second is made up of the cost, performance and risk ratios. While for Boys (2010), the financial analysis ratios are based on the level of self-financing, the scope for manoeuvre that may affect the self-financing and liquidity of the community.

Standards are established by the literature for the analysis of ratios. Thus, the gross saving rate which is the ratio between gross savings and operating revenues must be between 12 and 14%, a rate that represents the norm, Suitable if the ratio is between 8 and 12% and low if the ratio is less than 8%. As for the current self-financing coefficient, the ratio between actual expenses and debt repayments on actual operating revenues must be less than 1, for example. Also, the debt ratio is good if two local debt ratios are below the national stratum average and alert threshold, regardless of the weighting ratio. It is correct if one of the local debt ratios is above the national stratum averages or alert threshold and degraded if two local debt ratios are aboveabove the national stratum or alert threshold averages.

The margin of manoeuvre ratios are considered wide if three margins of manoeuvre ratios are above 0.7, moderate, if two of the three margins of manoeuvre ratios are aboveabove 0.7 and restricted, if any or all of the flexibility ratios are not above 0.7. The potential of taxation is linked to the wealth of the territory and its inhabitants, to local particularities and to factors influencing the level and structure of tax revenues. Finally, the determinants of tax potential include local GDP, number of businesses or average rental value, population and average income per capita.

Finally, it is possible to calculate all categories of indicators to measure the level of achievement of community objectives. Thus, it is possible to imagine operating ratios and their structures (tax revenues/operating revenues, direct taxes/tax revenues, etc.), ratios of municipal capital receipts (self-financing/operating revenues, self-financing/tax revenues, contribution of grants to municipal capital receipts, etc.) and the ratios of municipal operating expenses (development of the operating expenditure of the municipalities surveyed, tax revenue/municipal operating expenditure, staff expenditure/municipal operating revenue, current management expenses/communal operating expenses, etc.).

3. RESULTS

3.1. Level and structure of communal revenues

In total, the municipalities of Mali (except for regional councils, circle councils) have planned for 2020 (year for which virtually all the management accounts of the 703 commune are available) nearly 345 billion FCFA of receipts against 180 billion FCFA of achievements, The average rate of completion was 52% for 64% for the operating section and 25% for investments (Table 1). This forecast of revenues of the municipalities is equivalent to 16% of the forecasts of the state budget for the same year, or 2'828 billion CFA francs (State Budget, 2020). Of the 344 billion CFA francs, the operation is 69% against only 31% investment. In terms of achievements, the operation reached almost 90% (or more precisely 85%) against only 15% investment.

More than half of the budget estimates (54.4%) are mainly allocated to municipalities in the regions of Kayes, Sikasso and Koulikoro with 18% for each entity, the other 45.6% being distributed between the 5 other regions and the Bamako district. In terms of revenue recovery, almost 60% goes to the municipalities of the same regions with respectively 22% for the municipalities of Koulikoro, 19% for Sikasso and 18% for Koulikoro, whereas the municipalities of Kidal, Timbuktu and Gao only receive 3% of the budget. This lack of implementation could be explained by the situation of widespread insecurity that the municipalities of these regions have been experiencing for a decade.

Table 1. The budget estimates of the revenues of the municipalities of Mali (in millions of CFA francs)

	Planned	Achieved
Bamako	33 554	19 001
Functioning	29 124	18 471
Investment	4 430	530
Gao	14 619	2 394
Functioning	9 011	1 751
Investment	5 608	643
Kayes	62 915	33 178
Functioning	42 510	25 088
Investment	20 405	8 090
Kidal	8 329	242
Functioning	2 309	182

Investment	6 020	61
Koulikoro	62 396	39 810
Functioning	47 634	36 737
Investment	14 762	3 073
Mopti	37 710	20 718
Functioning	26 609	17 535
Investment	11 101	3 183
Ségou	46 964	27 605
Functioning	32 015	22 400
Investment	14 950	5 206
Sikasso	62 437	34 034
Functioning	42 857	28 689
Investment	19 580	5 344
Tombouctou	16 004	2 902
Functioning	5 119	1 692
Investment	10 885	1 210
Total	**344 928**	**179 883**
Functioning	**237 187**	**152 544**
Investment	**107 741**	**27 339**

Source : Authors from DNTCP management accounts (2020)

It is also possible to classify the budget receipts by article. Thus, the 345 billion CFA francs are divided between 19 headings that range from allocations and various funds to investment income through the net profit, investment grants received, project loans, borrowings and similar liabilities, taxes and charges, among others (Table 2). In general, the main sources of income for municipalities are mainly transfers received from other administrations and investment grants received for a little more than 80%. The forecast is that the number of employees in the first shift will be 54.8% and 25.7% respectively (81%). In terms of implementation, these two items represent around 84% of the revenues collected (71% for transfers received from other administrations and 12.6% for investment grants).

Local taxes and fees represent only 10% and 11% of the budget revenues of the municipalities of Mali, in forecast and realization. This poses a real challenge for the future of decentralization in Mali, which is struggling to make citizens pay contributions to boost local development. It should be noted that the revenues of the domains and heritage constitute only 7.1% and 4.9% of the total revenues of the municipalities (4.3%, 2.6% and 2.9% and 2.3%) in terms of forecasting and realization.

Table 2. Level and structure of 2020 revenues of municipalities in Mali (million fca)

	Planned	Achieved
Allocations to various funds	2,8	0
Profit and loss	87,6	13,4
Investment grants received	1 803,8	129,4
Taxes	34 189,3	19 801,7
Products of the domain services	9 930,2	4 174,5
Transfers received from other subs	189 101,0	127 798,3
Proceeds of disposals	1,2	0
Allocations to various funds	2 299,0	10,1
Profit and loss	14 614,3	4 578,3
Investment grants received	88 738,3	22 708,9
Project borrowing	90,9	0
Borrowings and similar liabilities	1 037,1	1,0

Amortization	30,0	0
Write-offs	22,5	0
Net book value of sold real estate	11,4	0
Proceeds from disposals of immo	2 082,5	483,0
Penalties	40,0	0
Non-management products	724,2	74,7
Operating levies	122,0	110,0
Total	344 928	179 883

Source : Authors from DNTCP management accounts (2020)

3.2. Level and structure of municipal expenditures

In 2020, the municipalities of Mali have planned budgetary expenditures of the order of 351.5 billion FCFA against achievements of 175 billion FCFA, a rate of 50%, The average rate for the operating section is 68% and for the investment section 48% (Table 3). In total, operating expenses are more than double the capital expenditure, or 2.1 times. This shows, as some authors say, that the budgets of municipalities are mainly used for operations at the expense of investments, The Commission has already taken a number of initiatives to improve the quality of the information provided by the Member States. In terms of achievements, the gap is larger, with operating expenses representing almost 6 times the capital expenditure, 238 billion CFA francs against 150 billion CFA francs.

The expenditure forecasts of the municipalities of Sikasso, Koulikoro and Kayes constitute more than half of the total expenditure planned in 2020, 54.7% with 19.7% for the municipalities of Sikasso and 17.5% for the other two regions. This trend is maintained even in terms of realization, although the municipalities of Sikasso lose their first position to the benefit of Koulikoro with 21.5%.

The municipalities of the district of Bamako are around 10% in both forecast and implementation, 9.7% and 10.8%, respectively.

Table 3. Level and structure of expenditure in 2020 for the municipalities of Mali (million CFA francs)

	Planned	Achieved
Bamako	34 231	18 930
Functioning	29 502	18 026
Investment	4 730	903
Gao	12 008	1 860
Functioning	6 749	1 157
Investment	5 259	703
Kayes	61 610	30 466
Functioning	41 966	24 328
Investment	19 645	6 139
Kidal	8 624	355
Functioning	2 010	276
Investment	6 614	79
Koulikoro	61 516	37 604
Functioning	47 239	34 788
Investment	14 277	2 816
Mopti	42 051	22 376
Functioning	29 234	19 921
Investment	12 816	2 455
Ségou	45 055	26 309
Functioning	29 566	21 437
Investment	15 488	4 872

Sikasso	69 297	34 653
Functioning	47 092	28 864
Investment	22 205	5 788
Tombouctou	17 119	2 060
Functioning	4 892	1 581
Investment	12 227	479
Total	**351 511**	**174 612**
Functioning	**238 250**	**150 378**
Investment	**113 261**	**24 234**

Source : Authors from DNTCP management accounts (2020)

The 351.5 billion CFA francs are divided between different budget headings, The largest item is staff costs, which represent more than 50% of planned expenses and 74% of expenditures in 2020 (Table 4). Almost a quarter of the planned expenditure is intended for buildings, installations and arrangements of municipalities for only 10.8% of the achievements. The purchase of foodstuffs and supplies is the third item of expenditure in terms of forecast and forecast, The Commission has already taken a number of initiatives to improve the quality of the information society.

Table 4. Nature and chapter of the expenditure of the municipalities of Mali (million CFA francs)

	Planned	Achieved
Fixed assets	101	0
Intangible assets	3 751	673
Land, floors, basements	3 490	156
Buildings, technical installations	85 920	18 931
Material	17 724	3 338
Taking a stake	658	22
Capital transfers	10	0
Amortization and provisions	89	0
Loans	16	0
Personnel expenses	181 736	129 304
Purchase of food and supplies	31 784	12 199
Current transfers	1 769	337
Financial expenses	68	5
Other current management expenses	5 018	1 785
Taxes	1 652	1 143
Depreciation and amortization allowances	255	20
Expenses outside current management	385	58
Recovery outside of current management	1	0
Collection	12 478	4 658
Subsidies	3 293	1 503
Other expenses	1 313	481
Total	**351 511**	**174 612**

Source : Authors from DNTCP management accounts (2020)

3.3. Financial analysis ratios of municipalities

The literature has identified 3 mains types of ratios of decentralized communities, namely solvency ratios, maneuver and other ratios. These ratios are calculated on the basis of the administrative accounts of the municipal managers. For the case of Mali, we were able to access the accounts of all municipalities throughout the territory from DNTCP data (National Treasury and Public Accounting Directorate), data we entered on the

Excel spreadsheet. According to the literature, the ratio of gross saving on operating revenues must be between 12% and 14% to be considered as normal and low if it is less than 8% (Table 5). On average, the municipalities of Mali have a gross saving ratio of -0.4% and 1.4% (forecast and realization). These rates place the municipalities of Mali in the category of municipalities with liquidity deficiencies. In general, the municipalities of Mali have a gross saving ratio of less than 8% and is even negative in some municipalities. The municipalities of ~~the~~ Gao region are the most liquid both in forecasts and in budget achievements with rates of 25% and more than 33%. The municipalities of the regions of Segou and Timbuktu are also liquid with rates of 7.6% and 4.3% and 4.4% and 6.6%, respectively.

The second solvency ratio is the level of investment in relation to operating expenses. In total, this ratio represents almost 47.8% of the operating expenses in the budgeted budgets and only 15.9% of the implemented budgets. This national average conceals huge disparities between municipalities in different regions. Thus, the municipalities of the district of Bamako have the lowest rates both in terms of forecast and budget implementation, 16% and 4.9%, the highest being observed in the municipalities of the Kidal and Timbuktu regions.

The level of taxation is measured by the ratio between tax revenues and operating revenues. This ratio shows a national average of 14.4% and 13% in forecast and realization. Finally, it is noted that the resources of the municipalities are made up of a significant proportion of subsidies. The proportion of grants to municipalities thus represents 42% and 45% respectively of forecasts and achievements. It should be noted that the municipalities of the regions of Mopti, Ségou and Gao constitute the leading trio in terms of forecasting. In terms of implementation, the municipalities of the Mopti region lead with more than 86% of the transferred resources compared to operating revenues.

Table 5. Solvency ratios (%)

	Gross savings		Weight of capital expenditure		Tax revenue ratio		Share of subsidies	
	Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Achieved
Bamako	-1,3%	2,4%	16,2%	4,9%	13,8%	17,0%	39,2%	38,1%
Gao	25,1%	33,9%	58,4%	40,1%	15,9%	29,2%	67,9%	47,2%
Kayes	1,3%	3,0%	46,2%	24,5%	22,3%	22,7%	36,3%	38,4%
Kidal	12,9%	-51,6%	28,4%	43,4%	19,6%	32,7%	0,0%	0,0%
Koulikoro	0,8%	5,3%	30,0%	7,7%	11,8%	8,4%	44,7%	47,6%
Mopti	-9,9%	-13,6%	48,2%	14,0%	8,3%	5,8%	79,9%	86,2%
Ségou	7,6%	4,3%	48,4%	21,8%	12,7%	10,3%	58,0%	67,5%
Sikasso	-9,9%	-0,6%	51,8%	20,2%	14,0%	13,0%	8,6%	10,1%
Tombouctou	4,4%	6,6%	238,9%	28,3%	17,2%	16,5%	36,0%	30,6%
Total	**-0,4%**	**1,4%**	**47,8%**	**15,9%**	**14,4%**	**13,0%**	**42,0%**	**45,0%**

Source : Authors from DNTCP management accounts (2020)

The figures show that the municipalities of Mali still have a significant tax potential, namely 200 million CFA francs in terms of forecast for only 35 million CFA francs of realization, the municipalities of Bamako with greater flexibility (Table 6). Given the size of their population, the municipalities of Kidal can only hope to mobilize on the tax plan only 12.8 million CFA francs.

The cash flow margin is defined as the ratio of operating expenses to operating revenues. In this sense, it determines the capacity of financing operating expenses by operating revenues. On average, operating expenses are higher than the expected operating revenues, or 100.4%. This general average is derived from the proportions of municipalities in the regions of Mopti, Sikasso and Bamako with almost 110% for the first two regions and 101% for the last. In terms of outputs, operating expenses represent almost the totality of operating revenues, 98.6%.

Table 6. The margins of manoeuvre ratios (fcfa and %)

	Tax potential		Resource Mobilization Coef		Cash flow margin		Incompressibility rate		Share of capital expenditure	
	Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Achieved
Bamako	200 000 000	32 519 056	2,31	2,61	101,3%	97,6%	81,4%	87,7%	13,8%	4,8%
Gao	80 000 000	18 125 487	6,44	1,67	74,9%	66,1%	49,8%	29,5%	43,8%	37,8%
Kayes	55 853 929	35 823 042	34,22	14,31	98,7%	97,0%	73,0%	81,1%	31,9%	20,2%
Kidal	12 845 000	0	5,48		87,1%	151,6%	43,0%	44,6%	76,7%	22,3%
Koulikoro	103 079 022	22 190 418	16,15	20,21	99,2%	94,7%	76,9%	86,3%	23,2%	7,5%
Mopti	49 776 000	17 750 000	15,10	1,97	109,9%	113,6%	82,3%	93,1%	30,5%	11,0%
Ségou	67 533 353	21 667 723	23,88	22,30	92,4%	95,7%	82,4%	92,9%	34,4%	18,5%
Sikasso	49 081 047	21 594 096	35,74	37,37	109,9%	100,6%	76,6%	84,3%	47,2%	20,1%
Tombouctou	50 895 496	3 215 133	5,36	2,45	95,6%	93,4%	41,4%	31,1%	71,4%	23,3%
Total	**200 000 000**	**35 823 042**	**45,07**	**67,26**	**100,4%**	**98,6%**	**76,3%**	**86,0%**	**32,2%**	**13,9%**

Source : Authors from DNTCP management accounts (2020)

The first indicator (level of service provided) is the ratio of operating expenses to population size. On average, the municipalities of Mali in 2020 rendered services of 11'600 fcfa and 7'300 fcfa both in anticipation and in realization, the highest service rates were found in the municipalities of Kidal, Koulikoro and Sikasso regions with an average of nearly 21,000 CFA francs for the former region, almost 14,000 CFU for the second region and just over 12,500 CFU for the last region (Table 7). In addition, the municipalities of the Koulikoro region receive services of the order of 10,000 CFA francs per person for only 1,500 CFA francs for the municipalities of the Gao region.

The municipalities invest on average 5'515 fcfa and 1'180 fcfa per person in terms of forecast and realization. If the municipalities of Kidal provide up to 69'000 CFA francs per person, they only manage to mobilize 825 CFA francs per person. Beyond the communes of Kidal, the communes of Timbuktu come with 12'819 CFA per person in terms of forecast for only 502 CFA of realization per person. Finally, it is noted that the taxpayers of the municipalities pay on average only 548 fcfa, the level of taxation being the ratio between taxes on people on the population. On this forecast, only 160 fcfa are paid on average per person, the highest rates of payment of taxes on people are observed in Kayes with 322 fcfa on average against only 3 fcfa in Kidal per person.

Table 7. Other tax/financial ratios (FCFA)

	Level of service rendered		Investment effort		Level of taxation	
	Planned	Achieved	Planned	Achieved	Planned	Achieved
Bamako	11 529	7 044	1 848	353	181	33
Gao	8 804	1 509	6 860	917	728	41
Kayes	14 892	8 633	6 971	2 178	948	322
Kidal	20 992	2 882	69 074	825	956	3

Koulikoro	13 797	10 161	4 170	822	575	165
Mopti	10 157	6 921	4 453	853	314	16
Ségou	8 945	6 485	4 686	1 474	625	199
Sikasso	12 604	7 725	5 943	1 549	625	199
Tombouctou	5 129	1 657	12 819	502	449	17
Total	**11 601**	**7 322**	**5 515**	**1 180**	**548**	**160**

Source: Authors from DNTCP management accounts (2020)

3.4. Some characteristics of local finances

Despite the existence of the texts, local finances do not seem participatory and are dominated by their technicality. That is why Kasibo (2006) says that nowhere "there is any mention of the participation of rural communities or their representatives in the design and implementation of transfers" Transfers represent a significant portion of community resources. Community leaders do not seem to have a grasp of the various categories of taxes and, most of the time, ~~The~~the budget preparation tasks are carried out by the expenditure and revenue managers under the direction of the municipal councillor for finance.

This state of affairs brings risks of mismanagement, disproportionate investments, problems related to a partner or financial malpractices (Boys, 2014). Thus, some municipalities have difficulties in financing the construction or rehabilitation of administrative infrastructures, equipment and organization of services, Development projects and programs for the benefit of citizens (Salomon, 2018). This explains the low average rate of investment in municipalities in Mali, which is 12.7% at the level of achievements. Whereas the lifting of an adequate local tax is linked to the level of investment in the development of territories.

It should be noted that, despite the difficulties, decentralization has been firmly rooted in Mali's administrative culture for more than 20 years. This policy has made it possible to provide basic social infrastructure (health centres, schools, literacy centres, etc.) for the population.

4. CONCLUSIONS

The decentralization process in Mali has made significant progress, including the establishment of a legal and institutional framework, the start of the transfer of competences to local authorities, the establishment of a computerized database on local authorities, the construction over 10 years of a vision and the setting up of implementation devices, a deficit fiscal framework, but existing, etc. Like any reform of this magnitude, Mali's decentralization is faced with important weaknesses that must be corrected. The slow process of transfer of competences, the difficulties for circles and regions to play their role properly, the weakness of internal financing, Challenges related to the governance of communities (in terms of eligibility, participation, etc.). The new phase of the decentralization process, namely regionalization, presents itself as an opportunity to give a new impetus to the process and also allow to face the challenges related to resource mobilization, The Commission's proposal for a Council Directive on the approximation of the laws of the Member States relating to the use of certain substances in foodstuffs is also being considered.

Without effective and efficient local taxation, there is no possible financing for the functioning of a community, let alone the ability to invest in the territory (from own resources but also through transfers). Local development challenges require communities to have ambitious and enormous means of providing basic infrastructure and public services for all.

At the local level, even though some communities have a certain degree of fiscal autonomy (urban and populated municipalities), the observation is to the minimum use of these different levers (base and rate), a situation that often stems from the political scruples of local elected officials, The Commission has not been able to take any action on this issue. On the other hand, and above all, local authorities are poorly equipped to administer a direct local tax of mass, which requires financial means, important human, technical and logistical, They are still not well-versed in the skills of analysis or do not have a strong cultural and social background (calculation of tax policy cost/revenue ratios e.g. difference between a given manager status and tax engineer status, The lack of control and autonomy of local authorities over their tax policy).

Similarly, significant simplification efforts must be made at the level of the decision-making chain of the tax system (length of the chain, validation process for changes-adaptations to local tax policies and their coherent articulation with national ones, etc.) and pragmatic adaptation to the prevailing socio-economic realities from one year to the next e.g. for example, regularly measuring the appropriateness of certain local taxes, are they simple enough to administer, easily accepted by the population, adapted to the emergence of new activities or taxable resources, etc.

It is also important not to omit certain elements that may seem minor but which are proven, on the contrary, particularly crucial for the sustainability of an efficient tax policy such as the need for a national effort towards the training of qualified tax officials, To integrate the body of territorial officials (status and benefits to be established or corrected as appropriate) and to respond to the demand for local skills, and the development of continuing training policies, as well as related courses and trades to enable, where necessary, Outsourcing of some census and collection functions to local level.

To do this, it is recommended that:

- Strengthen the capacity of local authorities to administer taxes
- jointly define the bases of certain local taxes through dialogue
- Make efforts to simplify the decision-making chain of the tax system
- Give more importance to local investments
- Promote public-private partnerships in the construction of basic social infrastructure, etc.

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