REPUBLIQUE DU MALI

Amène le monde au Mali - Prépare le Mali pour le monde.

Work Plan Year One

2003-2004

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ACRONYMS

AC	Advisory Committee
AFE	Action for Enterprise
AGOA	African Growth Opportunity Act
AMARES	Association Malienne pour la Ré-évaluation et l'Exportation du Sésame
APCAM	Assemblée Permanente des Chambres d'Agriculture du Mali
APEFEL	Association Malienne des Exportateurs des Fruits et Légumes
AMELEF	Association Malienne des Exportateurs des Légumes et Fruits
AMEPROC	Association Malienne des Exportateurs des Produits de la Cueillette
ATRAPAL	Association des Transformatrices de Produits Agricoles Locaux
AWP	Annual Work Plan
BDS	Business Development Services
BNDA	Banque Nationale pour le Développement Agricol
CAE	Centre Agro Entreprise
CCIM	Chambre de Commerce et d'Industrie du Mali
CESPA	Centre de Service de Production Audiovisuelle, CESPA
CIDA	Canadian International Development Agency
CILSS	Inter-State Committee for Fighting Drought in the Sahel
CNCM	Conseil National des Chargeurs du Mali
CNT	Syndicat National des Transporteurs
DGRC	Direction Générale de la Réglementation et du Contrôle
DNCC	Direction Nationale du Commerce et de la Concurrence
DNI	Direction Nationale de l'Industrie
DTIS	Diagnostic Trade Integration Study
ECOWAS	Economic Community of West African States
FEBEVIM	Fédération de Groupements Inter-Professionnels du Bétail et de la Viande
GERM	Gérer Mieux Votre Entreprise
GoM	Government of Mali
IF	Integrated Framework
ITC	International Trade Center
M&E	Monitoring and Evaluation
MIC	Ministry of Industry and Commerce
MTS	Multilateral Trading System
OHVN	Office de la Haute Vallée du Niger
OMA	Observatoire des Marchés Agricoles
ON	Office du Niger
ORS	Office Riz Ségou
PMP	Performance and Monitoring Plan
PPFK	The Shea Sector Promotion Project
PRMC	Cereal Market Reform Program
PRSP	Poverty Reduction Strategy Paper
RMIS	Regional Market Information System
ROESAO	Réseau des Organisations des Exportateurs du Secteur Agroalimentaire
SIAGRO	Salon International des Industries et Technologies Agro-alimentaires
SWOT	Strengths, Weaknesses, Opportunities and Threats
TDR	Terms of Reference
TEM	Tropical Expression Mali
UNCTAD	United Nations Conference on Trade and Development
URTL	Union des Radio et Télévisions Libres

WAEMU	West African Economic and Monetary Union
WATH	West Africa Trade Hub
WBACDP	World Bank's Agricultural Competitiveness and Diversification Project

EXECUTIVE SUMMARY

TradeMali is one of three USAID projects under the Accelerated Growth (SO9) strategic objective "to increase productivity as well as income in targeted agricultural sectors." The IR objective (IR 2) of TradeMali is "Increased trade of selected agricultural products." TradeMali will accomplish this by:

- Helping Mali put in place an enabling environment within the Integrated Framework strategy, which serves to motivate and provide incentives for increased trading activity;
- Creating increased opportunities for trade;
- Strengthening the capacity of Malian entrepreneurs and businesses to compete throughout the region and internationally; and
- Collaborating continuously with the other projects in the AEG portfolio (Mali Finance and Mali Production).

In addition to working towards improving the political and institutional environment for trade and reinforcing the competitiveness of the private sector, TradeMali will play particular attention to gender issues through its gender officer and Gender Advisory Committee, and to project activities in the Northern part of Mali, which will be run out of its office in Timbuktu during Year 1.

During the Performance Monitoring Plan design process several agricultural commodity filières were selected for first year activities: rice, red meat, potatoes, mangoes, shea butter, and sesame. This work plan was developed accordingly.

Year 1 focuses on preparing Malian suppliers, exporters, and regulatory agencies for the difficult task of planning ahead, repositioning themselves and adapting export practices to conform to rising quality demands. The following concepts serve as the backdrop for TradeMali's Work Plan that will lead to increased volumes of agricultural commodities by the project's completion date. Raising export volumes must be accomplished within the context of a vastly changing regulatory environment that is showing increasing competition from countries with a more developed infrastructure and aggressive investment incentives. The following activities will help meet these challenges:

- Use the Performance Monitoring Plan (PMP) as the guide for development of the work plan;
- Evaluate demand market for the targeted commodities;
- Consider safety in the food supply chain through sanitary and phyto-sanitary requirements (SPS);
- Adapt to EurepGAP norms and product standards;
- Assure the accreditation of national testing laboratories so they can certify product quality;
- Analyze Malian competitiveness in targeted commodity chain;
- Assure good supply chain management practices;
- Focus on infrastructure, logistics, and the cold-chain;
- Upgrade to international norms;
- Reinforce public agency capacities to promote new and changing export parameters;
- Accompany exporters to attain quality standards;

- Identify investment opportunities of new post-harvest technologies;
- Develop traceability for exported goods;
- Increase investment and employment opportunities for women in agricultural export sectors;
- Enable the policy environment;
- Promote public/private collaboration to reduce barriers to export and apply existing domestic regulations;
- Promote dissemination of export information;
- Create the reflex among exporters to conclude trade contracts and partnership relations;
- Encourage professional associations take lead to set quality standards for their members;
- Encourage best practices in management; and
- Review the Performance Monitoring Plan (PMP).

Because of TradeMali's innovative contract, the work plan also takes into consideration technical and management deliverables that become the basis for the reimbursement of implementation expenses. The following table tracks the deliverables schedule over the course of Year 1.

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SECTION I

Introduction

This document lays out the Annual Work Plan (AWP) of TradeMali intended to cover the period of September 2003 through August 2004. In doing so, it will review the objectives of TradeMali, as well as the strategy and approach of the project. Then, it will discuss how best to strengthen the policy and institutional trade environment. Section III will deal with the competitive road map by filière while Section IV will provide an overview of the cross-cutting and special activities. Section V will briefly describe the Project Performance Plan (PMP) and key features of the project financial and administrative management.

A. Objectives of TradeMali

TradeMali, designed by the United States Agency for International Development (USAID) to assist the Government of Mali (GoM) in achieving its medium to long-term objective, plans to expand market opportunities for Malian agricultural commodities and processed products. To this end, the GoM has opted to promote free trade practices and enhance the marketing efficiency of Malian exports to regional and international markets. Achieving this objective will require that the Malian public and private sectors: (i) understand the requirements for expanding successfully market share in an increasingly competitive environment; (ii) identify commodities in which Mali enjoys a demonstrable competitive advantage; and (iii) take the necessary steps to transform potential market opportunities into concrete market deals.

B. Strategy and Approach of TradeMali

TradeMali will be guided by the following strategies and approaches to achieve its stated objective:

B1. Government Strategy

After decades of policy reforms designed to bring about economic growth, Mali is yet to make a big dent in poverty. Mindful of the depth of poverty and its adverse consequences on Mali's society, the Government of Mali (GoM) has decided to make poverty reduction its main medium-term goal. With assistance from the donor community and the collective efforts of Malian stakeholders, the GoM initiated the Poverty Reduction Strategy Paper (PRSP) that was adopted by the Council of Ministers in May 2002. The PRSP represents the core document for the GoM to finance and implement its development activities.

Recognizing the role that trade can play in setting the stage for economic growth and poverty reduction, the GoM has requested assistance from the donor community to assess the trade policy environment and design a coherent trade strategy so as to boost exports. This assessment falls within the Integrated Framework (IF) for which USAID has agreed to play the role of Key Facilitator. As an initiative funded jointly by the World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD), International Trade Center (ITC), United Nations Development Program (UNDP), International Monetary Fund (IMF) and World Bank, the IF is designed to enhance the participation of Mali in the Multilateral Trading System (MTS) and mainstream trade in order to contribute to poverty reduction. This objective is achieved through (i) building national capacity to understand the evolving MTS and its implication for external trade; (ii) adapting the national trading system to the obligations and disciplines of the MTS; and (iii) seeking maximum advantage from the

new MTS by enhancing the readiness of Malian exports. The IF process involves the following steps:

- Preparatory Phase: Country requests technical assistance after issuing a PRSP, demonstrating its commitment to integrate trade into its development strategy, and setting up the IS steering Committee along with the IF Working Group and the IF Trust Fund;
- Diagnostic Phase: Country undertakes a comprehensive study to issue the Diagnostic Trade Integration Study (DTIS) which is carried out by local and international experts to assess the competitiveness of different economic sectors and the binding constraints to increasing sector share in foreign markets;
- Follow-up Activities: After validating the DTIS, country designs both the National Trade Strategy and the Work Plan that identify areas for technical assistance and activities to be funded by the donor community.

TradeMali will complement GoM efforts in implementing its trade strategy through assistance to the DNCC and USAID, the lead donor organization.

B2. Improve Competitiveness

So far, Mali's exports have been driven by a natural resource-based comparative advantage relying on abundant and cheap labor, making the country vulnerable to external shocks. Value added, product differentiation and diversification have been limited to the point where Mali's production is similar to that of neighboring countries. The stiff competition that Mali will face in future years calls for improved competitiveness of Malian commodities in regional and international markets. TradeMali intends to improve the competitiveness of specific agricultural commodities by applying lessons learned from systematically analyzed export operations undertaken during Year 1 of project and from prior projects' efforts. TradeMali will also carry out trade promotion activities to strengthen commercial links between Malian exporters and regional and international importers. In addition, efforts will be undertaken to address issues pertaining to product quality as a prerequisite for enhancing export market share. Better market intelligence (market information, including commodity volumes and prices, quality requirements export procedures, etc.) will be made available to actors in targeted commodity value chains. TradeMali will also identify and assess needed investments in marketing and export infrastructures (post-harvest storage, transport, etc.) aimed at improving competitiveness.

B3. Enhance and Strengthen Private Sector Capacity

Since the inception of the Structural Adjustment Program, the private sector has not been able to fill the vacuum created by the withdrawal of the public sector from commercial activities because it was ill prepared. TradeMali will strengthen existing private sector capacity through the provision of targeted training in needed areas, such as new technologies and business management skills and lobbying, product promotion and contract negotiation competences, to individual exporters, professional organizations or associations and service providers. Knowledge transfer will not only increase product value but also strengthen private sector capacity to deal with Government and be an active partner in creating an enabling environment.

B4. Create an Enabling Environment

As many of the barriers to enhance Malian exports are related to policy, TradeMali will play an active role in facilitating the creation of the enabling environment through the promotion of public- private partnerships. To this end, it will organize workshops to identify policy priorities impeding exports and potential solutions. These workshops will bring decision makers and stakeholders together to discuss options, assess how others have addressed similar constraints, help draft legislation, and train stakeholders in the implications of such legislation and how it should be implemented. The TradeMali Project Advisory Committee will also serve, among other things, as a forum for private-public sector dialogue. TradeMali will also help to create mechanisms, involving both public and private sectors, to monitor reform progress in the first year and assure its enforcement in subsequent years.

B5. Collaborate/Strengthen Public Institutions

As Malian public institutions are weak, a centerpiece of TradeMali's activities will revolve around strengthening them. For instance, *TradeMali plans to strengthen the analytical and trade promotion capacity of the Direction Nationale du Commerce et de la Concurrence* (DNCC), given the key role that the DNCC has in the GoM with regards to trade strategy definition and implementation. TradeMali will also assess its other needs to provide the assistance needed. Moreover, it will collaborate closely with other public institutions such as *Direction Générale de la Réglementation et du Contrôle* (DGRC) and *Direction Nationale de l'Industrie* (DNI), *Office du Niger* (ON), *Office Riz Ségou* (ORS), *Office Haute Vallée du Niger* (OHVN), and *Observatoire des Marchés Agricoles* (OMA). Present discussions with OMA are assessing future market information needs and how best to provide these services. . Similar discussions are on-going with ON to identify areas for collaboration in addition to rice and potato trading activities.

In addition, it will collaborate with professional private sector organizations including C*onseil National des Chargeurs du Mali* (CNCM), *Syndicat National des Transporteurs* (CNT), *Réseau des Organisations des Exportateurs du Secteur Agroalimentaire* (ROESAO), *Association Malienne des Exportateurs des Légumes et Fruits* (AMELEF), *Association Malienne des Exportateurs des Fruits et Légumes* (APEFEL), *Association Malienne des Exportateurs des Produits de la Cueillette* (AMEPROC), *Fédération de Groupements Inter-Professionnels du Bétail et de la Viande* (FEBEVIM), *Chambre de Commerce et d'Industrie du Mali* (CCIM) and the *Assemblée Permanente des Chambres d'Agriculture du Mali* (APCAM).

It will strengthen the capacity of both the private and public sectors and facilitate private-public dialogue using workshops and fora designed to promote the application of impact-oriented policies. Such actions will require collaboration between TradeMali and other USAID-funded projects such as Mali Finance and Mali Production to alleviate financing and production constraints and increase supply of key commodities on a commercial scale.

Institutions can be seen as either organization or policies. As policies, institutions will be assessed, in close consultation with the private and public sectors, and those policies hampering trade will be identified. The objective of this exercise is to strengthen the implementation of policies that are poorly enforced and/or to create those that do not exist so as to improve the trade environment.

B6. Communication Strategy

TradeMali's communication strategy to reach its targeted audience emphasizes a three-pronged approach: support to institutions, awareness training and information transfer. On the first level, TradeMali will support rural radio programs that focus on business and entrepreneurship, and will collaborate with USAID's DevCom department and CLIC project. Awareness training will be done through visuals, videos, and technical sheets geared to enterprises and associations in the value chain, and public institutions to better integrate players in each export transaction. Finally, the strategy includes packaging and making available market information on a timely basis for actors in the supply chain, including public sector partners.

B7. Gender

Women account for over 70 percent of agricultural activities in Mali. In both peri-urban and rural areas, women and women's associations dominate small-scale vegetable farming and small-scale processing of agricultural products including shea, sesame, and fruits and vegetables. TradeMali has established a permanent nine person advisory committee (*Comité de Concertation*) aimed at ensuring that TradeMali will take into account gender considerations at all levels of its activities. The Committee is composed of women entrepreneurs, heads of private organizations and public institutions. These Committee members will assist TradeMali in evaluating project activities, as well as project successes and failures, and impacts.

B8. Synergy with other donors and projects

TradeMali will develop close relations with other donor projects and in particular the World Bank's Agricultural Competitiveness and Diversification Project, currently under design with the Canadian International Development Agency (CIDA). This project, scheduled to begin in 2005, will target some of the same *filières* as TradeMali and should be a key partner in developing export trade. TradeMali will emphasize collaborating with other projects dealing with TradeMali's targeted agricultural commodities (eg. karité and sesame with Helvetas; mango with Intercoopération Suisse; karité with the Dutch cooperation). In addition, TradeMali will continue to initiate and strengthen relationships with international companies doing business in Mali and offer key partnering relations with Malian exporters. For instance, Maersk/Sealand is collaborating on the potato and mango *filière* work by providing containers and packing house cold storage facilities. Negotiations are underway with the CANAC Company, which operates the rail system to Dakar, to provide priority service for perishable exports. Discussions are also on-going with the Shaeffer Goup to find ways to complement our activities.

TradeMali, in addition to collaborating with the USAID-funded Mali Finance and Production Project, to avoid duplication of effort and focus on opportunities for synergy, will maintain close communication with the regional USAID programs such as the ongoing West African Trade Hub and the Regional Market Information System Project scheduled to start its activities in mid-2004.

C. Exit Strategy

TradeMali has adopted a five-pronged strategy to exit upon the completion of the project. First, it has opted to increase the financial involvement of private sector stakeholders in

project activities to ensure sustainability. This approach is based on the assumption that if the private sector participates in the financial outlays such as paying for services (renting marketing infrastructure or paying training fees), project activities are more likely to continue upon project completion provided that the private sector sees the usefulness of and benefits from project activities. Second, it will strengthen the capacity of the private sector to dissect trade-related issues and influence the design and implementation of policies through improved lobbying techniques. Third, TradeMali will emphasize sustainable commercial linkages by improving product quality and ensuring on-time delivery of products to export markets so that confidence is established between Malian exporters and foreign importers. Fourth, it will build commercial partnership between exporters and importers using a formal contracting mechanism that will clearly define responsibility between parties so that contract terms are enforced by the judicial system, should one party default during the implementation of the contract. Fifth, it will focus on building the capacity of public institutions to design and implement policies in a way compatible with the new Multilateral Trading System.

SECTION II

Strengthening the Policy and Institutional Environment for Trade (Sub-IR 1)

A. Streamlining the Integrated Framework Process

Strategically, TradeMali will integrate its activities into the Integrated Framework (IF). As a means of assistance to USAID, TradeMali has started to work with the Secretary General (SG) of the Ministry of Industry and Commerce (MIC), in conjunction with the DNCC the lead GoM agency, to move forward the IF process which has stalled since April 2003. To this end, TradeMali has been in touch with the Task Manager at the World Bank to highlight the need to move fast and efficiently on the IF. It has contributed comments to the draft DTIS report—the English version of the draft DTIS report was made available to the GoM in late February 2004. The SG has indicated to TradeMali that he would seek assistance from the project to translate the report into French should the World Bank delays the translation. TradeMali has agreed to provide this assistance when requested to enable the GoM to benefit from this important document and avoid additional delays in the process.

Following the organization of a public-private forum to validate the DTIS report in April 2004, the DNCC, with assistance from TradeMali, will convene the National Trade Symposium in May 2004 to lay the foundation for the design of a comprehensive and coherent national trade strategy for Mali. TradeMali, in collaboration with the IF donor agencies and the Steering Committee, will assist the DNCC in drafting the terms of reference (TOR) of the additional studies needed to put in place the national trade strategy. It will also provide assistance, when needed, to DNCC in undertaking the analyses, studies, consultations, design and implementation for the trade strategy. It is anticipated that the studies and analyses will be carried out between May and June 2004. The consultations with the stakeholders should begin in August 2004 and the trade strategy should be designed during the first quarter of 2005 and implemented thereafter (see Table 1, Activity 1.1, in Annex A-1).

TradeMali will also collaborate with the GoM within the framework of the Joint Integrated Technical Assistance Program (JITAP), an initiative spearheaded by the WTO, UNCTAD and ITC to ensure better participation of developing countries in the MTS through technical assistance. The JITAP issued the first draft of its program design in early March 2004 and TradeMali contributed significant comments to the document. According to this document, the JITAP will strengthen the capacity of Malian policy makers and traders by creating four trade information centers of which one will be housed in the DNCC. As TradeMali has envisaged improving the market intelligence system of the DNCC, it will take the necessary steps to coordinate its activities with those of the JITAP so as to avoid duplication of efforts and maximize impact.

TradeMali will work with the SG of the MIC and DNCC to establish in March 2004 a Project Advisory Committee (PAC) that will draw its members from the IF and JITAP Steering Committees (see Table 2, Activity 2.1, in Annex A-1). Composed of the DNCC and senior technical representatives from other public and private organizations, the PAC aims to ensure that project activities are coherent and consistent with government and other partner initiatives. It is also intended to guide TradeMali in achieving its objectives so as to maximize

project impact. TradeMali will also collaborate actively with the subsector working groups put in place by the IF to assess constraints and come up with viable solutions.

B. Strengthening the Capacity of the DNCC

The DNCC, under the leadership of the MIC, was created in August 1998 to design and implement national trade and competition policy. Its chief missions are to (i) organize, develop and support trade promotion activities, (ii) design national trade and competition policies, and (iii) ensure the implementation of national and international trade and competition rules. To achieve these objectives, the DNCC is composed of four Divisions consisting of (i) a Trade and Marketing Studies and Organization Division in charge of collecting and analyzing data on prices and stocks in domestic markets; (ii) a Legislation and Competition Division responsible for, among other things, drafting and implementing trade and competition rules, as well as analyzing and following up requests for trade authorizations; (iii) an External Trade Division to design and implement Mali's policies pertaining to international trade, and design and implement trade agreements; (iv) an Economic and Trade Promotion Division in charge of market analyses, training in economic and commercial matters, disseminating information, linking Malian and outside business people, and organizing trade fairs.

In conformity with the objectives of the project, TradeMali started during the 90-day mobilization period to assess the strengths and weaknesses of the DNCC. As this assessment has not been completed because of the busy schedule of the DNCC personnel, TradeMali will pursue the assessment of the DNCC until the end of February 2004 by taking into account the DNCC mission, the quantity and quality of resources (physical, financial and human) at its disposal to carry out its activities, and the results achieved so far (see Table 1, Activity 1.1, in Annex A). It appears from the preliminary results of the assessment that the DNCC is short of staff and the existing staff is generally overworked and insufficiently prepared to implement mission activities.

To help the MIC achieve its mission, TradeMali and the DNCC will collaborate in enhancing public-private dialogue by organizing joint forums and workshops. The problems and issues encountered by the private sector in the context of trade will be debated openly. In this vein, the two entities will hold two workshops on policy issues: one in April 2004 on the exoneration of import duties on utility vehicles and the other in June 2004 on the exoneration of taxes or temporary admission of marketing inputs to shed light on the impact of these goods on the competitiveness of Malian commodities (see Table 2, Activity 2.1, Annex A). TradeMali will also work with regional institutions such as the Economic Community of West African States (ECOWAS), West African Economic and Monetary Union (WAEMU) and the Inter-State Committee for Fighting Drought in the Sahel (CILSS) to reduce roadblocks and informal taxes along key corridors (see Table 2, Activity 2.1, Annex A).

TradeMali will assist the DNCC in setting up a computerized trade database that will use modern techniques to acquire and analyze data, as well as generate and disseminate useful information to the stakeholders (see Table 1, Activity 1.1, Annex A). For instance, the DNCC will collect price data for various commodities in international markets and analyze them to highlight trends, identify potential export markets and make the information available to exporters. The computerized system will also track prices for marketing inputs so that potential exporters would know where to access inputs in a cost-effective manner. Data acquisition will be facilitated by TradeMali assisting the DNCC in searching the Web,

identifying necessary sources of information and subscribing to sites. Such is the case for the International Trade Center (ITC) and *Marchés Tropicaux* to which TradeMali will help DNCC to subscribe. Other useful Websites on trade-related issues will be identified during the course of the project and made available to the DNCC. Key among these are the West Africa Trade Hub and the Regional Market Information System which are both funded by USAID to enhance regional and international trade. The Hub will be important in that it focuses on products targeting the US market under the African Growth Opportunity Act (AGOA). DNCC computer staff and equipment will be evaluated and strengthened when necessary.

TradeMali will strengthen the capacity of the DNCC in negotiating multilateral agreements, as well as formulating and implementing trade policies. For instance, it will meet regularly with the DNCC personnel to identify training needs and provide the required training. It will convene in May 2004 a workshop on the implementation of WAEMU-related trade policies, such as Certificate of Origin. Moreover, it will train Malian policy makers in a workshop that will be organized in July 2004, on how to prepare trade negotiations and take position on trade issues (see Table 1, Activity 1.1 and 1.2, Annex A). Also, it will work with the DNCC to organize a workshop in September 2004, on how best to formulate and implement trade policies (see Table 1, Activity 1.1 and 1.2, Annex A).

TradeMali will assist the DNCC in organizing and preparing the private sector to attend regional and international trade missions. Regional and international trade fairs are a good mechanism for promoting Malian trade, but only if careful attention is paid to the selection of fairs and participants. Too often preparation is hurried and inadequate with little regard to training and follow-up. The results are too often meager, as would b expected. Appropriate regional and international trade fairs will be identified.

C. Strengthening the Capacity of the Office du Niger

TradeMali paid a visit to the *Office du Niger* in early 2004 to discuss needs and potential avenues of collaboration. As the parastatal in charge of promoting irrigation-based production, the ON is seeking ways to enhance private investments in its zone of intervention. To this end, the ON will work with TradeMali to set up an information system geared toward showing business and investment opportunities in the ON zone (see Table 6, Activity 6.2, in Annex A-1). The ON, through its Cellule Agro-business, is also mandated to expand business competency among associations and agro-enterprises operating in its zone. In Year 1, TradeMali will focus on two areas the *Cellule* identified as needing support: information flow to enterprises, and training/preparing exhibitors to be better marketers and presenters at trade fairs and salons, as well as in trade missions (see Table 6, Activity 6.2, in Annex A-1). For the former, TradeMali will assist the ON in developing a periodical review of events and developments inside and perhaps outside the institution.

The Cellule will be present during and at the conclusion of the 2004 potato export operation. Then TradeMali and the *Cellule Agro-business* will assess the opportunities for expanding potato production and marketing within the ON. TradeMali has also discussed with the Schaeffer Group's representative including its sugar plantation project in the pre- and post-potato export operation with an eye to include potatoes as possible complementary cropping to sugar cane.

Following the first-year activities of the project, TradeMali and the *Cellule* will collaborate in organizing agricultural fairs whereby producers, processors, and input suppliers will exhibit and promote their product or service to a broad audience. The exhibitors will be informed that their "*accueil*" will be filmed and evaluated and will serve as the basis for a follow-on training on how best to prepare and welcome visitors to their stall, and how to maximize benefit from listening to and engage with visitors. Planning and implementing the event will also serve as a form of experiential training for the *Cellule*, and serve as the basis for follow-on support.

D. Strengthening the Capacity of the Office des Marchés Agricoles (OMA)

Improving exports, penetrating and securing market shares in new product segments or in new export markets, means that Malian exporters have the information and experience necessary to assess export opportunities in terms of their own capacity to respond to specific product demand. Such a process requires that operators have the market intelligence necessary to understand the structure of specific product demand in targeted export markets and the means to assess their own capacity to respond competitively to this demand in terms of product quantity, quality, price, seasonality, logistics, and market structure, among others. They need to be able to constantly reposition themselves with respect to dynamic and ever changing market conditions in order to ensure product competitiveness, a key factor in determining commercial success over the long term. Moreover, exporters must have partner institutions, service providers, capable of assisting them in this process.

The Agricultural Market Observatory (OMA) has had considerable success during the past several years in improving "real time" market intelligence for specific agricultural products in national markets. This network is expanding into targeted regional markets, and TradeMali intends to work with OMA to strengthen its capacity to provide useful market information for priority product exports. At the request of TradeMali, OMA will gather information on mangoes, potatoes and rice. Specifically, OMA will collect price information on mangoes and potatoes in national and regional markets. Regional market prices for rice will also be collected by OMA. In addition, OMA will gather export volume data for these three commodities to help TradeMali monitor the results of its activities (see Table 6, Activity 6.2, in Annex A-1).

E. Strengthening the Government Agencies Responsible for Norms and Standards, and Product Certification (DNI, DGRC, LCV, LTA, LNS)

Market intelligence provides the basis for exporters to assess their own capacity to supply competitive products to meet targeted market demand. In this regard, meeting product quality norms and standards becomes a critical factor in penetrating and securing export market share. Ensuring that all exports meet minimum specific product quality standards is essential for eventually establishing voluntary export product quality standards, a precondition for developing commercially recognized quality brands. In addition to the enforcement of minimum product norms and standards for product exports, exporters also require training in maintaining and improving product quality control, as well as strengthening the capacity of laboratories to become commercially recognized certification services attesting that products meet specific quality norms and standards. (Such laboratories include the Central Veterinary Laboratory, National Laboratory of Health and Animal Nutrition Laboratory).

The National Direction of Industry (DNI) and the General Direction of Regulations and Control (DGRC) are already providing quality control services to Mali's export community.

Through a program funded by the EEC and implemented by the UNDP in collaboration with UMEOA, efforts are being made to strengthen export capacity among member states by improving the capacity of national laboratories charged with certifying product quality, strengthening the DNI to acquire and diffuse export product norms and standards and promoting quality among exporters by training and consumer protection initiatives. In addition, the DGRC is charged with applying quality control standards for exported products and in monitoring the volume and value of product exports.

These three structures provide a complimentary set of essential services to Malian exporters. Sustaining and increasing the export of Malian agricultural products over time will require that these institutions provide more effective and efficient services to Mali's export community. As such TradeMali will closely collaborate with OMA, DNI and DGRC and support efforts designed to improve the delivery of services necessary to maintain and increase the competitiveness of Malian agricultural products in domestic, regional and international markets.

SECTION III

Competitive Road Map by Filière (Sub-IR 2)

To maximize the chances of achieving tangible results, TradeMali has opted to focus its efforts during the first year on five key *filières*: fresh mangoes, potatoes, rice, red meat and shea butter/sesame. The rationale for the choice of these *filières* is rooted in the existence of export markets demand, within and outside West Africa and a commercial window of opportunity conforming to existing production cycles. Other criteria include the impact of exports on estimated aggregate income and the importance of women within the filière. The table on the next page indicates the criteria that were retained in the selection process. As TradeMali identifies trade opportunities in Mali's Northern regions this list of five filières will be expanded.

While the preparation of the Annual Work Plan focused on gathering intelligence on shea butter, its by-products, key players, export demands/export potential and product testing, TradeMali, at USAID's recent recommendation, seriously considered including sesame in its range of selected commodities. The project has begun gathering intelligence on sesame exports, particularly in light of newly identified buyers and market opportunities in North Africa. Sesame has the potential to become a more important revenue generating and export commodity because it can be produced in certain dry Malian ecological zones where other revenue producing crops may not fare well. Furthermore, nearly two-thirds of sesame producers are women.

Notwithstanding the focus on the above-mentioned *filières*, TradeMali will be flexible and open to the suggestions of the private sector for other *filières* having good market potential. In this context, the project will work with exporters and associations to alleviate constraints so as to transform potential into real market opportunities.

TradeMali is expected to increase trade of Malian agricultural exports. This can be achieved through meeting two intermediate results: 1) providing an environment that is facilitating instead of hindering trade and 2) selling products that are competitive enough to successfully meet the global challengers.

The success or failure of Malian enterprises will depend, in large part, on whether they can develop a new approach to deal making, make strategic decisions and accept long-term investing to move up the value chain and transform comparative advantages into competitive ones. Pressures on Malian exporters are growing inexorably from the innovative abilities of other suppliers in the global market. Marketing difficulties are proliferating under increased regulations from importing government agencies, buyers and consumers' requirements. In these circumstances, only the most competitive will survive. Success will be driven by the innovative entrepreneurs who will take the industry forward. The importance of careful management of the supply chain has never been so critical. Successful companies have recognized that proper supply chain management aligned with market demands can result in higher profits and reduced costs. But exporters also must be supported by the public sector through appropriate investments in infrastructure. In the medium term, the chosen filières must build up a middle and upper management capacity that is able to manage the requirements of an increasingly demanding import market. For example, a high level of technical competence is needed in a farm manager if the enterprise is to be able to export to European supermarkets.

No one constraint holds back the development of value in Malian agricultural value chains. The challenges are interrelated and a coordinated approach of enhancing human capital must be accompanied by focused investment in infrastructure. With these issues in mind, TradeMali has focused on five filières and three core groups of activities which will define the "Competitive Road Map by Filière." The activities are described in Tables 3-5 in Annex A:

1. Improving capacity for better quality management at all levels (PR 3);
2. Identifying export opportunities for target filières, which includes capacity building (PR 4);
3. Firming up business deals and formalizing agreements (PR 5).

Quality management is a major prerequisite to succeed in the export market. Quality for the target markets is thus a priority in any program aimed at supporting export efforts. Capacity building (PR 3) will encompass three sub-groups of activities targeted at:

1. The DGRC and the DNI, two institutions responsible for norms and standards, and dissemination of information on norms/standards and technical regulations. TradeMali will:
    a. Support the creation or strengthening of a national quality committee on norms and standards
    b. Organize workshops on key topics related to the application of norms and standards: SPS agreements, Malian standards v. international norms
    c. Train technical agents from the DGRC: inspectors in charge of applying norms and standards (i.e., at boarders), laboratory technicians having to deliver certifications, etc.

2. The three national laboratories to help them get international accreditation. TradeMali will assist *the Laboratoire Central Vétérinaire* (LCV), the *Laboratoire des Technologies Agricoles* (LTA) and *the Laboratoire national de Santé* (LNS) with:
    a. Internal audits
    b. Upgrading skills and capacities at par with international standards of Good Laboratory Practices (GLP)
    c. Accreditation

3. Selected exporters who want to comply with mandatory or commercial quality systems required by importing governments and buyers. TradeMali will assist with:
    a. Diagnostics on quality management levels
    b. Designs of customized quality management plans
    c. Support with implementation of quality management plans (GAP, traceability, use of pesticides, etc.)
    d. Training of national trainers in quality management, and norms and standards

Traditionally, an important volume of agricultural products has been exported from Mali to Ivory Coast, either for local consumption or re-export to international markets under the Ivorian label. Trade with other regional partners has been more limited, and informal. In the context of the enduring crisis in Ivory Coast, it appears urgent for Malian agroentrepreneurs to diversify their distribution channels and develop new market linkages with other countries in the UEMOA, as well as in North Africa and Europe.

Activities under PR 4 seek to increase export potentialities by identifying market opportunities for target value chains.

1. A first (and key) set of activities will enable TradeMali to characterize market demand and evaluate the Malian offer. These activities include:

    a. Commercial prospection/market identification (DEMAND) will be done through research on the Web, meetings with professionals and operators, reviewing activities and lessons learned of prior and current projects, trade missions (incoming and outgoing), trade fairs and salons, establishing contacts in Dakar and Tunis, as well as prospective studies on apparently promising filières that could be part of TradeMali activities for Years 2 to 5
    b. Analysis of the supply and trade facilitation conditions: production capacity and yields, cost structures, infrastructures (storage, conditioning, pre-cooling, cold chains, vehicles, logistical routes and partners), information systems, technical assistance and support institutions, technical barriers to trade, etc.; in other words, a thorough assessment of the whole supply chains.
    c. Real time export operations on several logistical corridors
    d. Data collection and restitution during a workshop involving key players of the value chains
    e. Design of a work plan by filière
    f. Preparation of Position Papers on karité and sesame

2. The second group of activities addresses the needs for capacity building at enterprise and association levels. TradeMali actions include technical assistance and training in:

    a. Management: identification of investment opportunities, development of bankable documents and business plans; productivity and cost minimization analyses; trade dealings; market intelligence
    b. Post-harvest technologies: for example storage, processing, grading, packaging, transportation, cold-chain management

3. The third group of activities concerns coordination and collaboration and partnership among the key actors of the supply chain. TradeMali will assist with:

    a. Creation and strengthening of commodity sector working groups (modeled on the successful potato filières *Cadre de concertation* set up under the CAE project) involving public institutions and sector associations. These *Cadres de concertation* will discuss and resolve problems and issues, and foster a sense of partnership among the participants.

Currently, most business deals are done informally without signed contractual arrangements. This may work within certain Malian sectors but it leaves the door open to non compliance to the agreed verbal terms. It certainly will not work with major importers. TradeMali will stress good management practices with its project partners. TradeMali will support contract negotiation (PR 5) and design a contractual framework with the development of standard contracts between exporters and producers, exporters-importers, exporters-transport companies, exporters-support structures, etc. In the present context, no contract will be fully implemented without the assistance of the project.

The TradeMali Work Plan is structured to meet the development challenges of each of the five filières. Each of the main sections of the chapter is patterned on the same format consisting of:

- The current situation of the *filière*;
- The export market potential driving TradeMali course of action;
- The program of activities and the contribution of each unit: TradeLinks, BDS/Communication and Policy, as well as the synergy that will be developed with project partners, particularly other USAID project;
- A summary chart per *filière* is also provided to see at a glance key priorities for 2003-04.

A. Potato Filière

A1. Current Situation

Mali has been producing potatoes for years in the districts of Kati and Sikasso. Domestic production is estimated at 30,000 metric tons (33,274 MT in 1999) while national statistical data indicate exports reaching about 1,000 tons annually mainly to the Ivory Coast (1,112 MT in 2002). In Sikasso potatoes are cultivated on approximately 1,680 hectares (ha) in 44 sites within a 50 Km radius around the city. The potential for increasing production is considerable, considering the number of low-land areas (*bas fond*) suitable for rice-potato rotations. Production may also be increased or extended in the Office du Niger, Baguineda irrigated perimeter and in the Kati area. In terms of productivity, Malian farmers obtain yields up to 23 tons per ha (generally the highest in the region), with certain producers occasionally recording 40 tons per ha. The majority of seed potatoes are imported from Europe. In 2002, imports were estimated at 1,159 tons, indicating a production of about 30,000 tons in 2003.

Past efforts to support the potato sector have focused principally on improving conservation techniques so as to extend the marketing period and thus help farmers profit from higher sales and revenues. To this end, the CAE project developed a prototype potato storage warehouse, enabling storage for up to six-months with minimal losses. Moreover, visits, by a CAE sponsored trade mission in 2003, aroused interest in importing potatoes from Mali from the two most important potato importers in Senegal - accounting for 90 percent of Senegalese potato imports from Europe, estimated at over 25,000 tons annually (27,381 MT in 2002).

SWOT Analysis – Potato sector

Strengths	Weaknesses
• Skilled farmers and competitive yields • Adapted production areas: Sikasso – Kati – ON • Support capacity built among NGOs	• Marketing and conditioning practices • Reliance on imported seeds • Limited financial capacity of producers • Reliability of transport logistics between Sikasso and Dakar • Unreliable statistical production and export data
Opportunities	**Threats**
• Interest expressed by Senegalese importers (CAE mission - May 2003) • Potentially significant regional markets at appropriate supply times (post-harvest) • Existing post-harvest packing capacity: TEM mango conditioning station in Sikasso • Potentials for increased production: low-lands and ON area	• Retaliation strategies from Dutch exporters • Non-application of WAEMU tariffs by Senegalese custom

A2. Potential Markets

Malian potato producers are in a position to compete with Dutch exporters, who supply the markets of coastal countries in the region, during the period of availability of Malian potatoes (starting in December for 5 months). The potential markets for Malian potatoes include Senegal, Mauritania, Ivory Coast and the Gambia; and Cap Vert has significantly increased its imports since 2001 with a total import volume of over 6,000 MT. Domestic production in countries such as Senegal and Ivory Coast is faced with severe agronomic constraints due to phyto-sanitary problems and the particular weather conditions prevailing in the production areas. The potential for competition from domestic production in these markets is thus somewhat limited. In the Ivory Coast market, Burkina Faso remains a potential competitor; however, their current production remains below the capacities in the Southern area of Mali.

Import prices vary per metric ton in the regional markets, with an overall sub-regional import market value of Dutch potatoes at about US$35 million annually. It should be recalled that in the case of onions, Niger was able to significantly compete against Dutch imports during Niger's production period. The TradeMali team is convinced that Mali can achieve a comparable level of performance for potatoes in regional markets. However, in order to effectively enter and keep market shares in these markets, Malian exporters must propose to regional importers a product that is comparable in quality of that provided by Dutch exporters. The sustainability of potato exports will ultimately be determined by the capacity of Malian producer/exporter – regional importer partnerships to successfully provide the following:

- potatoes graded and presented in standard 25 kg hessian bags, palletized at 60 bags per palette;
- a predictable and rigorous quality product;
- shipment by refrigerated containers on a regular basis;
- application of shipment planning and the capacity to adjust shipments according to market price variations;
- easy payment and funds transfer;
- simple, rapid and accurate communication between importers and exporters.

Table 1. Potatoes – West African imports from Europe (in MT)

	1999	**2000**	**2001**	**2002**
Senegal	15,379	21,455	21,947	27,381
The Gambia	3,658	6,416	4,442	4,000
Mauritania	7,720	13,123	10,000	12,898
Ivory Coast	10,321	14,600	12,462	11,135
Guinea	234	213	683	1,211
Other countries – West Africa	2,929	2,347	12,040	13,364
TOTAL West Africa	**40,241**	**58,154**	**61,574**	**69,989**

Source: Eurostat

The marketing methods currently practiced for the Ivory Coast are not acceptable for Senegal and other countries in the region: 35+ kg polypropylene bags stuffed with potatoes of various sizes and quality, loaded in bulk in uncovered semi-trucks. Rather than trying to market a lower quality product at a lower cost, the strategy proposed by TradeMali is to develop

privileged relationships with importers in the region through introduction of the following three to five year strategies:

- quality and services equaling that of Dutch exporters;
- adapting the product to the client's needs, for example, the introduction of a "private label" associated with each importer in order to help him/her develop a sense of recognition branding in the market;
- progressive integration of the importer into the production and marketing planning process (marketing of selected seeds, importing inputs via Dakar, investment and joint-ventures in Mali).

A3. TradeMali Program

The TradeMali program aims at helping Malian operators penetrate over time important new regional markets--starting with Senegal—and improve operations in existing export markets. The overall strategy is to develop a partnership framework between producers, exporters, support agencies, financial institutions, conditioning and cold-chain stations, transporters, transit agents and importers, which could be consolidated into an efficient supply chain, capable of proposing alternative solutions to the current Dutch networks.

To achieve this, the TradeMali units will concentrate their interventions with the activities presented below offering selected examples:

<u>TradeLinks Unit:</u>

- Define precise commercial (opportunity assessment, definition of conditions) and financial (price, cost and margin structures) parameters, from the farm-gate to the retail market in Senegal;
- Provide ongoing assistance to Malian businesses exporting or interested in exporting to other markets;
- Develop partnerships, as well as contractual and operational liaisons, between actors in the sector (producer-buyer, support agency-buyer, buyer-transporter-transit agent, buyer-importer);
- Provide technical support for establishment of export logistics: harvesting, grading, pre-cooling, packaging, palletizing, shipping, clearing customs and marketing;
- Monitor market prices and identify determining elements in establishing retail prices (seasons, holidays, supply level).

<u>Policies Unit:</u> The in-house assessment by the members of the Unit will focus on the following:

- Assess fiscal, regulatory and policy bottlenecks along the selected market corridors, primarily Senegal and Ivory Coast in Year 1;
- Assess Dutch potato export subsidies and Senegalese tariff barriers;
- Assess major policy and regulatory constraints regarding the export of potatoes by rail to Dakar. In general, these are related to quality norms that are required if Malian potatoes are to compete with those being imported from Europe. In addition, there may be problems of SPS certification that need to be investigated. EurepGAP certification is not likely to be a problem as long as exports are

confined to West Africa. Given the fact that Mali will compete against potatoes produced in Senegal and that the Dutch potatoes are the major competing product for West African potatoes, Malian policy makers need to prove that Malian potatoes are not taken for Dutch potatoes so as to avoid suspicion and import duties. To this end, establishing a certificate of origin for Malian potatoes will be useful in the short to medium term. Information on norms and certificate of origin needs to be communicated to Malian exporters of potatoes.

BDS/Communications Unit:

- Provide information support services to NGOs and associations working in the sector to help them better understand planning and product quality control needs and systems, and their role in providing services to the private sector;
- Provide training in the implementation of contracts including individual and collective responsibilities: producer-merchant, producer-supporting agency, supporting agency-project;
- Organize an information workshop (Potato Day) following the marketing period to assess the sector's strengths and weaknesses, define mechanisms to overcome supply, logistics and communication constraints and draw lessons learned for the following campaign;
- Diffuse export requirements, develop an export quality guide, organize technical training sessions and disseminate the results of the marketing test (lessons learned) as part of a promotional campaign to promote potato exports.

A4. Summary Chart: Potato Sector

CURRENT SITUATION	POTENTIAL MARKETS	EXPECTED RESULTS Year 1	TRADEMALI				PARTNERS
			TradeLinks	BDS	Communication	Policies	
Estimated production: 35,000 MT (2003) *(based on seed imports in 2002)* Yield: 23-40 T per HA Zones: Sikasso, Kati; *(Sikasso: 1,680 ha; extension potentials); ON extension potential* Period: December-March (principal season) Exports: 1,112 MT to Ivory Coast (2002) Prior support focused on storage rather than export	Sub-regional imports: 2002: 69,989 MT from the EU (exported by the Netherlands, in 25 kg hessian bags) Price: $400-700/MT or 4,500 -5,000 FCFA per 25 Kg bag. Potential market: $35 millions Conditions: Product quality and services comparable with those offered by Dutch exporters	Demand and supply are characterized; Commercial alliances are identified; Business plan is developed, detailing investment and operations costs Employment opportunities are created for women in conditioning stations Export opportunities created for more professional exporters	Export operations: Senegal: 400 T Mauritania: 200 T Côte d'Ivoire: continued exports Logistics and infrastructure: Facilitating the establishment of appropriate infrastructures: - *Conditioning* - *Multimodal Transport (exports by refrigerated containers BKO-DKR)* Establish arrangements between various partners Data collection on sub-regional markets: ‣ Evolution of demand ‣ Commercial and financial parameters for various transportation routes Develop partnerships and contractual liaisons Monitor market prices and analyze price structures Technical assistance to ensure control of export logistics	Institutional support to NGOs and service providers Establishment of a producer-association contractual framework Feedback workshop Technical and management / business training	The potato exporter's guide Articles on the promotion of Malian potato in the media Preparation of communication materials	Assessing the conformity and application of photo-sanitary standards (certification) Assessment of the application of bilateral agreements with other countries in the region Conditions for application of the multimodal system on the Bamako - Abidjan, Dakar roads, railroad and other routes. Enforcement of customs regulations throughout export routes. Standardization of conditions for potato exports: characteristics, traceability, phyto-sanitary and pesticide residue standards. Input tax system for exports Illicit taxes and road barriers	Logistics: MAERSK CANAC-GETMA MAREXPORT SDV Commercial: Regional importers (DKR, NKC, RCI, others) Service providers for regional market monitoring New and existing exporters Institutional: DGRC, producer associations, merchants, exporters, transporters, public services, financial institutions, consular institutions, packaging suppliers, screening and cold chain equipment, etc. ON, OHVN for information OMA: national market price information Donors and IFI: USAID – Mali Production USAID – Mali Finance World Bank/ IFC

B. Mango Filière

B1. Current Situation

Mali has been exporting mangoes to Europe for more than 20 years. Traditionally, Mali exported this fruit by airfreight, mainly to France. Other countries started exporting large volumes of mango by lower cost sea freight in the early 1990's. This resulted in a rapid growth of the European market, which is now estimated at 130,000 tons annually. The West-African country that benefited most from this increased market opportunity is Ivory Coast, with exports exceeding 10,000 tons per year. During this period of increased demand, volumes directly exported by land-locked Mali have remained stagnant, and limited primarily to airfreight. Although there are no statistics, a significant share of volume exported by Ivory Coast, estimated at 4,000 tons, is thought to be composed of Malian grafted mangoes (Kent and Keitt varieties), bought in Mali by exporters in Ivory Coast.

Until recently, attempts by operators based in Mali to use sea freight channels have not been successful, resulting in considerable losses upon arrival in Europe. This was due to poor organization and management, and lack of expertise in transport/ logistical networks.

In 2001, an Ivorian company, after entering into a partnership with a local entrepreneur in Sikasso, successfully exported mangoes to the Netherlands by sea freight, using a multi-modal logistical system through Ivory Coast via the SITARAIL railroad network. However, the on-going crisis in Ivory Coast had an adverse effect in 2002 and continues to present obstacles for direct sea freight exports from Mali. Nevertheless, the Ivorian crisis has prompted Southern Malian operators to explore alternate export routes. Visits by a CAE sponsored trade mission in 2003 prompted Senegalese importers and exporters of Malian mangoes to try a new logistic channel from Mali to Europe through Senegal for the 2004 season. TradeMali will support this new effort, as well as assist mango exporters using other avenues.

The following table helps identify the strengths and weaknesses of the mango sector, while showing key constraints/threats and opportunities.

SWOT Analysis – Mango Sector

Strengths	Weaknesses
• High levels of production • Exportable varieties • On-farm buyers • History of mango exports • Reputation of Malian mango in Europe for good taste	• Unreliable statistical data on production and exports • Small-sized orchards • Low yields • Lack of orchard maintenance and control • Inadequate technical support • Poor organization of producers and exporters • Limited financial capacity of producers and exporters • Logistics not mastered • Rail road system not reliable in the past • Cold-chain availability and management
Opportunities	**Threats**
• Promising markets in sub-region and Europe • extension of production and marketing periods • introduction of new early and late maturing varieties • possibility of processed products (dried mango pulps and slices) • Investment in processing and marketing infrastructures	• Fruit-fly

B2. Potential Markets

Currently, Mali produces high quality grafted mangoes for export from April to July. During this period, the European market is estimated at over 50,000 tons (see table below). Competition during this period comes mainly from Ivory Coast, South Africa, Peru, and Brazil early in the season. From May to June, stiff competition also comes from Latin America, Pakistan and Ivory Coast. While April - June is dominated by Ivory Coast, covering near 50 percent of the European market during the month of May, its market share is low at the beginning of the season, when the Amélie variety (March) is present and at the end of the season (July). The Amélie mango is not a colored mango, which is a key selection criterion for European consumers. Fruit quality at the end of the season does not warrant attempting exports.

A trade mission, organized by CAE in May 2003, established the potential of the Senegalese market. The mango season in Senegal starts in July, which corresponds to the end of the season in Mali. The mango seasons are thus complementary. The fresh fruit market in Dakar is quite important with a strong demand for high quality products. This opens a market window for high quality mango exports from March to June, with an estimated demand in the Dakar market of 150 tons per week. Therefore, during this period there exists a commercial potential of 2,400 to 3,000 tons, with a FOB value of US$400/MT, for an overall value of over US$1 million.

MANGO

European IMPORTS 2002 – for the period March – July (in MT)

	TOTAL	MARCH	APRIL	MAY	JUNE	JULY
	51,378	**11,313**	**10,261**	**9,741**	**7,927**	**12,136**
Ivory Coast	**11,021**	114	3,471	4,919	2,012	505
Brazil	**8,482**	1,398	1,515	334	875	4,360
South Africa	**6,023**	4,795	1,225	1	0	2
Puerto Rico	**5,550**	248	1,089	1,351	1,370	1,492
Pakistan	**4,550**	13	8	325	1,822	2,382
Peru	**4,248**	3,783	462	3	0	0
Mexico	**2,087**	7	33	211	28	1,808
Costa Rica	**1,804**	479	654	579	92	0
Guatemala	**1,654**	29	670	693	262	0
India	**925**	32	154	376	245	118
Mali	***706***	***92***	***235***	***167***	***130***	***82***
Venezuela	**644**	24	115	221	197	87
Guinea	**549**	3	38	98	341	69
Dominican Republic	**501**	15	50	94	123	219
Israel	**392**	0	0	0	0	392
The Gambia	**325**	0	0	19	226	80
Senegal	**295**	0	0	0	12	283
Other Latin American Countries	**721**	92	278	124	74	153
Other	**901**	189	264	226	118	104

Direct mango export involves several issues for Malian exporters:

- The stages of packing and export logistics represent considerable value added in terms of employment and gross profit margins, which is currently lost to Ivory Coast. The likely 4,000 tons exported via Ivory Coast may be estimated as having a packing and transport value of nearly 1 billion FCFA (US$1.8 million);
- If sea freight export is not developed, Mali will remain a declining secondary source for mangoes. An increase in the number of Ivorian orchards will result in lower volumes bought in Mali.
- The crisis in Ivory Coast has amplified the awareness about the risks of over-dependency on the Bamako-Sikasso-Abidjan road and the importance for Mali to diversify its logistical options – the privatization of the Bamako-Dakar railroad is an opportunity to be exploited;
- Malian mango export operations can jump start international/regional partnerships, bringing technical skills and capital funds to the country to improve orchards and production/marketing skills.

Mali's potential market has several interesting aspects to develop:

1. Exports of Malian mangoes to Ivory Coast (3,000 to 4,000 tons per year);
2. Development of early (Tommy Atkins) and late maturing (Keitt) varieties in partnership with Senegalese investors who have mastered these varieties (3,000 tons per year);
3. Exports of high quality mangoes to Dakar (2,000 to 3,000 tons per year);
4. Exports of high quality mangoes through Dakar to Europe (+1,000 tons per year).

These opportunities together represent an annual sales value at over US$ 6 million annually. In addition, the European market for mangoes is estimated to expand by 10 percent per year according to market observers, which means that in the medium term, total (regional and international) Malian mango exports could exceed 10,000 tons per year.

B3. TradeMali Program

The objective of TradeMali's 3-5 year program for the mango sector is to build sustainable bases for growth. The following is broken down by selected examples from the project units' activities:

TradeLinks Unit:

- Inform Malian economic operators about changes in the European market: EurepGap conditions, good agricultural practices (GAP), hygiene and sanitation standards, Bio certification, equitable trade practices;
- Develop expertise in multi-modal container logistics through training, on-the-job coaching and widely disseminated guides: conditioning standards and methods for long distance shipments, pre-cooling facilities and techniques, container loading and handling protocols, customs regulations, frameworks for application of the multi-modal system for perishable shipments, enforcement of the WAEMU tariff for fruit imports towards Senegal;
- Promote regional and international partnerships between Malian producers and foreign groups focusing on commercial opportunities, capital investment, skills transfer and integration of logistical networks;
- Facilitate the establishment of an appropriate logistical infrastructure through preparation of investment documents for key-projects: multi-modal fruit terminal and conditioning stations;
- Define precise commercial (opportunity assessment, definition of conditions) and financial (price, cost and margin structures) parameters, from the farm-gate to the retail market in Senegal;
- Provide ongoing assistance to Malian businesses exporting or interested in exporting to other markets;
- Develop partnerships, as well as contractual and operational liaisons, between actors in the sector (producer-buyer, support agency-buyer, buyer-transporter-transit agent, buyer-importer);
- Provide technical support for establishment of export logistics: harvesting, grading, pre-cooling, packaging, palletizing, shipping, clearing customs and marketing;
- Monitor market prices and identify determining elements in establishing retail prices (seasons, holidays, supply level).

Policy Unit: The in-house assessment will concentrate on the following:

- Improve the institutional and regulatory framework by ensuring efficient implementation of multi-modal transit arrangements for international transit of fruit commodities through selected market corridors (primarily Senegal and Ivory Coast in Year 1) to Europe;

- Identify the constraints blocking effective enforcement of the WAEMU inter-state preferential tariff for formal trade of mangoes;
- Review major policy and regulatory constraints for the export of mangoes by rail to Dakar relate to the sanitary and phyto-sanitary standards (SPS), quality norms, and "Good Agricultural Practices" (GAP) that are required and are likely to become increasingly constraining unless appropriate action is taken;
- Review policies regarding tax exemptions on inputs used in the production and packing of mangoes for export and to diffuse information on the prevailing trade regime.

BDS/Communication Unit:

- Build private sector capacity to develop adapted strategies for promotion of the Malian label;
- Improve exporters' practices by introducing within businesses the basic elements of traceability and quality control systems, as well as export business management and standardization of conditioning practices;
- Organize feedback workshops for actors in the sector, after seasonal operations;
- Provide information support services to NGOs and associations working in the sector to help them better understand planning and product quality control needs and systems, and their role in providing services to the private sector;
- Provide training in the implementation of contracts including individual and collective responsibilities: producer-merchant, producer-supporting agency, supporting agency-project;
- Organize an information workshop (Mango Day) following the marketing period to assess the sector's strengths and weaknesses, define mechanisms to overcome supply, logistics and communication constraints and draw lessons learned for the following campaign;
- Diffuse export requirements, develop an export quality guide, organize technical training sessions and disseminate the results of the marketing test (lessons learned) as part of a promotional campaign to promote potato exports.

B4. Summary Chart: Fresh Mango Sector

CURRENT SITUATION	POTENTIAL MARKETS	EXPECTED RESULTS Year 1	TRADE MALI				PARTNERS
			TradeLinks	BDS	Communication	Policies	
Production: ±50,000 T (est.) Logistics: Plane mostly Ship: testing stage of multimodal transport (truck, railroad, boat) Period: March – July Production areas: Sikasso, Bougouni, Koutiala, Koulikouro, Bamako Excessive dependency on the BKO-SKO-Abidjan road, and on air freight Sea freight and multimodal logistics inadequately mastered, and unavailable until recently	European Union: 50.000 MT (April-July) of which an estimated 2,000 to 4,000 MT originate from Mali under Ivorian label (loss of $1.8M) Growth: 10%/year Senegal: 3.000 MT (April-June) Price: US$400/MT Ghana (processing): 350 MT for 4 months	Development of containerized export through the BKO-DKR-Europe route (multimodal logistics) opening the way for exports of other perishable products Infrastructure: pilot pre-cooling, packaging and handling platform in BKO Logistical arrangements with partners Gender: • 60% of the conditioning staff is composed of women (200 jobs per 1000 T). • Promotion of women supervisors • Equitable employment standards.	Export operation: (study-action) Senegal: 150 T Europe: 400 T Continued air freight exports Regional and international market surveys Opening commercial opportunities on various road and railroad routes Support for establishment of marketing infrastructures (freight station, pilot pre-cooling, packaging and handling platform in BKO) Support to identify and implement commercial alliances Support to market penetration: price structure, elements of competitiveness, international norms and standards, quality and traceability Regional and European market monitoring (MIS) Export opportunities created for more “professional” exporters	Training: - Post-harvest systems - Logistical techniques - Traceability systems - Customs transit regulations - Phyto-sanitary standards adapted to sea freight Technical supervision: - Introduction of traceability among farmers - Handling - Transit and logistics Associations capacity building: - Lobby Post-test workshop for the sector	Promotional materials: - Sea freight exporter’s guide - “Mangue du Mali” Stickers (Kent & Keitt) In-depth articles about the renewal of Malian mangoes in the specialized press. Preparation of communication and training materials	Assessment of the conformity and enforcement of phyto-sanitary standards (certification) Conditions for enforcement of the multimodal regime on the Bamako-Dakar road and rail routes. Enforcement of customs regulations on the Bko-Dkr route. Normalization of the Malian schedule of conditions for export mangoes: characteristics, traceability, pesticide residue standards. Input tax regimes for exports Illicit taxes and road barriers	Logistics: MAERSK TRANSRAIL MAREXPORT SDV Commercial: Regional importers (DKR, NKC) European importers Exporters from Senegal and Ivory Coast Market monitoring service providers Authorizing bodies Institutional: ONAPES EurepGAP IMO EMA Malian Associations DGRC Donors and IFI: USAID- Production MaliFinance World Bank/IFC CDI PIP-UE

C. Shea Butter Filière

C1. Current Situation

The *shea* is an exclusively African tree which grows in a 5,000 kilometer band stretching from West to East Africa covering sixteen countries. The most dense populations of trees are located in Mali (with 2/3 of total trees), in Burkina Faso and in Nigeria.

Though official statistics are not fully reliable, it is clear that Nigeria is currently the principal producer of shea butter - from 17.5 percent of world production in 1961 to 70 percent by 2002. Mali produces approximately 9 percent of the total. Of the 750,000 metric tons of shea nuts produced in 2001, Mali accounted for 13 percent of the yield (Nigeria accounted for 57 percent). Referring to various information sources, average production in Mali is estimated at about 80,000 tons, only slightly higher than the 73,000 tons produced in 1961 when Mali was the number one producer of shea nuts with 41 percent of the total.

While the bulk of African nuts and butter is consumed domestically, 95 percent of exports are used in the chocolate industry. The manufacturers wishing to have maximum of control over the quality of shea butter prefer to buy nuts and process them according to their own standards. As a result, the vast majority of exports are in the form of shea nuts (for instance, in the year 2000 approximately 30,000 tons of nuts were exported compared with roughly 2,000 tons of butter).

Although possessing the largest number of trees, Mali ranks 4th among exporting countries after Ghana, Burkina Faso and Ivory Coast. The shea butter filière has been the focus of many NGOs, development projects and government agencies for the past 25 years, each having made concerted efforts to improve product quality, organize women groups and identify demand markets. The results of these efforts, considered important to the national economy and particularly for improving rural women's incomes, have low due mainly to numerous constraints:

- Poor quality and inconsistent product standards;
- Processed butter sold at the village level is near the price offered by importers;
- High transport cost;
- Yield per tree is dwindling annually due to the lack of maintenance and age of the stock;
- Fractionalized and poorly organized sector;
- Low return on investments and subsequent lack of financing.

Though several organizations (as listed below) are currently working or have worked towards improving the quality of shea products as a means to improve exports, no major breakthroughs in marketing or standardized improved quality of butter in anything other than small batches have been achieved:

- The Union of Zantiébougou women's groups in collaboration with NGO AMPJ;
- The Shea Sector Promotion Project ("PPFK") initiated by SNV in the district of Dioïla;
- Siby women's groups, in collaboration with NGO "3 AG";
- Koutiala and San women's groups, in collaboration with "Intercoopération suisse";

- The project for “support to women for valorization of shea” initiated by the Ministry for Promotion of Women, Children and the Family;
- Action for Enterprise, a project financed by USAID-Washington aimed at developing shea product exports;
- The OHVN and the ORS;
- The HUICOMA oil processing company;
- Sika Mali.

The filière’s SWOT table is presented here:

SWOT Analysis - Shea

Strengths	Weaknesses
• Existence of a production potential (if efforts are made towards regeneration of the population of trees and organization of harvesting activities) • Existence of organized women’s groups in two major production areas (Dioïla and Zantiébougou)	• Irregular production (quality and quantity) • Unreliable statistical data on production and marketing • Poor quality butter due to inappropriate processing and storage processes • Poor organization of the sector • Seasonal opportunity costs of labor • Segmented market with unclear signals • Training of harvest and processing activities conflicts with other essential rural activities • Long production cycle until fruiting discourages new plantings • Old production sock
Opportunities	**Threats**
• Increasing attractiveness for the use of shea in the natural product industry and refined cosmetic industry • EU guidelines to replace part of cocoa butter with shea butter in the chocolate industry	• Possibility for chocolate makers to use other types of vegetal material instead of shea butter

C2. Potential Market

Shea butter produced in Mali, and in other producing countries, is essentially focused on domestic consumption although a certain quantity (about 1,000 tons of butter and 5,000 tons of nuts, according to some estimates) is exported, most often directly via exporters based in Ivory Coast and in Senegal.

In Europe, annual shea butter consumption is reported to vary between 40,000 and 60,000 tons, mainly by the chocolate industry. It is also used in the manufacture of cosmetic and pharmacological products. Major international markets include Sweden, Denmark, the United Kingdom, Indonesia, India, Japan and the USA.

To develop increased exports, considerable efforts are needed:

- Increase the quantity of harvested nuts (current harvests in Mali are estimated at 40 percent),
- Establish a national awareness program to replace aged trees with new varieties and new plantations, and to raise the quality standard of the finished product;

- Improve traditional conservation and processing techniques which presently result in low quality and low yields (under traditional methods yields are estimated at 20-30 percent, while industrial yields generally exceed 45 percent);
- Organize the filière and better coordinate assistance programs with buyers and exporters

C3. TradeMali Program

TradeMali has spent considerable effort to understand the filière and its export potential during start-up phase. It consulted documents, met with producer associations, exporters and projects that support the sector and shea butter was included as an important targeted Year 1 filières in the original work plan draft. However, there is presently a better understanding of the breadth of work, amount of resources and time that will be needed before TradeMali, and others, can have a measurable impact on the product and its export. TradeMali is also sensitive to the need to not duplicate efforts already been addressed by other projects and donors.

With this in mind, TradeMali's program for Year 1 will involve the following:

- Prepare a Position Paper on the sector which include market and production intelligence, production costs by market segmentation, present resources and the nature of support organizations providing assistance at each level of production, sanitary standards, the degree of integration and finally the resources needed to bring the sector up to international quality standards;
- Share this information with partners and actors in the sector;
- Identify avenues for project intervention in the filière, with particular attention to key policy issues, market identification and training needs;
- In June, make a determination with USAID and partners of the direction and actions to take for Year 2.

D. Red Meat Filière

D1. Current Situation

In terms of penetrating and increasing market share for red meat exports in regional markets, this is basically a new activity for Malian exporters.

Mali has exported live animals for decades and historically such exports have been a major source of foreign exchange earnings. With a national herd estimated at more than 5 million head of cattle and 10 million head of small ruminants, Mali has the largest live animal resource base in West Africa.

Although the livestock sector has traditionally received international donor support, this has been almost exclusively oriented towards improving animal health services and promoting the marketing and sales of live animals for domestic and export markets, notably the Ivory Coast, than towards supporting red meat exports. Moreover, the continuing problems in Ivory Coast have clearly demonstrated the need to diversify export markets for all types of livestock and livestock products.

Unfortunately, Mali's animal resources have not been effectively exploited to promote the development of down-stream, high value-added commodity chains focusing on livestock-product export markets. Apart from the occasional unsuccessful expedition of animal carcasses by air for private or market test purposes, the routine export of animal products (aside from hides and skins) has, in general, not occurred. In the absence of a well-defined, exploitable export demand, investments in production, processing and transport infrastructures necessary to efficiently support a viable export trade in meat products has been very limited.

It is also apparent that the successful export of livestock products will require that the GRM actively support efforts to:

1. Regulate and monitor livestock movements and the epizootic disease situation according to IOE requirements;
2. Ensure conformity with animal and public health norms and standards related to export and trade in livestock products processing and distribution facilities and networks; and
3. Promote investments for commercial infrastructures related to the processing, conservation, transport and distribution of red meat products.

D2. Potential Markets

Recent data collected through meetings with livestock producers and exporters highlighted potential market opportunities for red meat, particularly in Ivory Coast, Guinea, Ghana, Gabon, Senegal and Congo. Therefore, actions geared towards establishing the feasibility of Malian red meat exports will begin by a determination of the competitiveness of Malian beef and mutton in several targeted regional export markets through test operations.

SWOT Analysis - Red Meat

Strengths	Weaknesses
• High value added • Large potential range of products for different niche markets	• Perishable products require: o Good systems for processing, conservation and distribution o High sanitary and public health standards • Weak organization and coordination among the different steps (phases) in the export chain production - transformation –commercialization • Control and surveillance of animal
Opportunities	**Threats**
• Create investments in processing and commercial infrastructures for the sector • Develop associated value-chains such as hides and skins • Improve up-stream commercial operations to ensure increased value and market • Gross regional demand greatly exceeds present supply from Mali, requiring that measures be taken to improve herd management and increase off-takes • Privatization of the Abattoir Frigorifique de Bamako (AFB) and willingness of investors to investigate red meat export operations	• Competition: many exporting countries have already ensured a competitive position for their meat and livestock products in world markets

D3. TradeMali Program

Successful development of profitable private sector red meat exports is a medium to long-term venture. The objective of activities during the first year will be to work with those Malians who are already exporting, and potential exporters, to determine the competitiveness of Malian red meat in at least two targeted export markets. The following section is broken down by selected examples from TradeMali project unit activities:

TradeLinks Unit:

The approach will consist of undertaking market assessments with Malian exporters to determine the cost structure of meat exports, volumes, animal and public health issues, product quality, packaging and traceability requirements, margins and profitability. Technical and economic information (demand and export costs), coupled with overall market conditions, i.e. product structure, regulations, competition, etc., should provide sufficient information to determine the existing competitive market position for Malian red meat. Undertaking market assessments with exporters will also serve as a training exercise better enabling them to assess future market opportunities and to develop marketing strategies to penetrate new markets and/or increase market share in existing ones. Assessing new markets and developing new commercial alliances is the first step in developing a sustainable export capacity for red meat and other livestock products.

The approach will also consist of assisting the major local slaughter houses to identify and meet local red meat quality requirements (e.g. mining companies) demand for certain cuts of meat. This will improve the butchers' skills to respond to quality criteria and the skills will be transferable for meeting regional market demand.

BDS/Communications Unit:

- Holding a *Journée d'information* and awareness campaign, leading to creating a Pilot Committee
- Assessing and providing technical training needs in such areas as: slaughtering, butchering and packaging logistics and practices, customs requirements, zoo-sanitary norms (OIE-SPS)
- Promoting the establishment of a reliable and healthy supply network, including adequate disease surveillance and control systems.
- Organize workshop with exporters and slaughterhouse operators after initial tests;
- Diffuse export requirements, develop an export quality guide, organize technical training sessions and disseminate the results of the marketing test (lessons learned) as part of a promotional campaign to promote potato exports.

Policy Unit**:** The in-house assessment by the members of the Unit will concentrate on:

- Evaluate application & conformity of zoo-sanitary agreements with accepted norms and standards;
- Evaluate procedure for application of the certificate of origin;
- Evaluate tax regulations for inputs required for export;
- Evaluate application of bi-lateral trade agreements for the sub-region;
- Evaluate customs regulations for targeted export corridors.

D4. Summary Chart: Red Meat Sector

CURRENT SITUATION	POTENTIAL MARKETS	EXPECTED RESULTS Year 1	TRADEMALI				PARTNERS
			TradeLinks	BDS	Communication	Policy	
Segment: Carcasses refrigerated: cattle and small ruminants Geographic zones: Sevaré (Mopti), Sikasso et Bamako	Potential regional coastal and North African Markets	• Characterize specific export market demand • Commercial alliances established and/or identified; • Competitiveness of Malian beef established in targeted export markets • Data to elaborate Business/Investment plans available for: • Export opportunities created for more professional exporters • AFB improves quality of cut meat sold • Creation of a pool of red meat exporters	Logistic & Infrastructure: Facilitate establishing appropriate infrastructures: ♦ slaughterhouse ♦ conditioning & conservation ♦ expedition & distribution (by air &/or truck) Coordinate logistical arrangements with exporters & importers Evaluate the actual & potential demand Understand strengths & weaknesses of actual supply chain Complete detailed analysis of competitiveness of red meat export system, cost structure & margins Identify investment needs & priorities	Models: Establish a process for developing red meat exports by targeted exporters Technical Training Needs Identified: - Logistical management techniques (organization and management of transit and logistics) - Custom's regulations and procedures - Animal disease & public health Norms (OIE-SPS)	-Monitoring targeted regional markets - Promotion of red meat exports, results of market tests, general information for investment promotion	Evaluate application & conformity of zoo-sanitary agreements with accepted norms & standards Evaluation & application of bi-lateral trade agreement for the sub-region Conditions and application of targeted multi-modal transport regimes. Application of customs regulations for targeted export corridors Evaluate procedure for application of the certificate of origin Tax regulations for inputs required for export	Logistics: MAERSK CANAC-GETMA MAREXPORT SDV, AFB Commercial: Regional Importers Regional market information services Institutional: DGRC, OMBV, APCAM, CCIM Donors: USAID- Mali Production Mali Finance World Bank

E. Rice and Paddy

E1. Current Situation

Paddy and rice production has reached unprecedented levels in Mali since the Cereal Market Reform Program (PRMC) was introduced in the early 1980s. Domestic paddy supply increased from about 469,000 metric tons (MT) in 1994/95 to over 840,000 MT in 2001/02, representing an annual growth rate of about 10 percent. This increased production reflects both an expansion in cultivated area and an improvement in on-farm yields. According to the data provided by the DNSI, cultivated area and yields contributed 1 percent and 9 percent, respectively, to the supply increase during the above-mentioned period. This reflects the positive gains made from liberalizing cereal markets and the adoption of new and improved cultural techniques. Productivity improvements also reflect the efforts made by rice development schemes to improve irrigated production through investments in infrastructure and better water management.

Paddy and rice production is concentrated in four regions: Ségou, Mopti, Sikasso and Timbuktu. The average contribution of these regions to domestic rice supply during the above-mentioned period is estimated at 56 percent, 14.28 percent, 14.08 percent and 8 percent, respectively. Ségou is thus the most important production zone in the country. It encompasses the ON which produces nearly 50 percent of Mali's rice. Mali's rice processing sector is dominated by hundreds of small scale portable rice mills. Though within the investment range of many rice producers, the mills are relatively inefficient. Their low processing yields coupled with the high price of local paddy and high transportation costs result in a high comparative price for Malian rice in neighboring markets. The ON could contribute even more significantly if its production potential were fully exploited through investments in more efficient irrigation infrastructure. These investments would increase, however, production costs in the short to medium term, compromising the already weak price competitiveness of Malian rice in both domestic and regional markets in relation to imported, subsidized Asian rice.

SWOT Analysis– Rice

Strengths	Weaknesses
• There exists considerable production potential in various parts of the country with the Office du Niger having the greatest irrigation potential • Production of irrigated rice is not contingent on rainfall level and provides relatively stable yields • The Office du Niger produces rice using gravity irrigation techniques which are more cost-effective than those requiring pumps • Malian rice is fresh and yields greater nutritional benefits compared with older imported rice	• Post-harvest techniques are inefficient in the production zones • Rice quality is inconsistent with foreign matter common • Milling yields are relatively low and increase costs for processed rice • Transport costs from production zones to consumption markets are high • Malian rice is often non competitive in terms of price • There is a lack of private investments in irrigation infrastructure
Opportunities	**Threat**
• There exists a large regional market that is likely to increase thanks to urbanization • Rising income in West Africa will increase demand in niche markets • Productivity has leveled off in Asia and increasing wage cost there will strengthen the competitiveness of Malian rice	• National production does not meet domestic demand, leading to ad hoc export bans and imports and there is a rising national demand due to urbanization • Strong competition from lower priced Asian rice • Competitiveness is threatened by high transport costs stemming from high import duties on utility vehicles and spare parts, as well as from illicit taxes

E2. Potential Markets

Though Mali is not self-sufficient in rice, it could export this commodity to the regional markets shortly after harvest when domestic prices are at their lowest level. It can import rice during the other part of the year when prices are on the rise to keep urban prices low. The rice *filière* could benefit from this strategy if efforts are made by Malian rice stakeholders to make locally produced rice more competitive in the regional markets and capture an increasing share of the large West African market. According to data provided by the FAO, Cote d'Ivoire, Senegal, Guinea, Ghana, Burkina, Niger and Mauritania imported, during the period 1995-2001, on average 929,235 MT; 543,374 MT; 217,238 MT; 122,691 MT; 116,507 MT; 87,994 MT and 86,853 MT, respectively. These imports are likely to grow in the near future, owing primarily to the urbanization process underway in these countries and the increasing opportunity cost of women staying at home versus entering the professional work force. Targeting only 10 percent of this market would mean that Mali's export market share could amount to at least 200,000 MT compared with the few hundred MT that Mali has been able to export so far during the period.

Presently, Mali's ability to supply rice to regional markets is hampered by a range of factors: (i) strong domestic consumer preference for Gambiaca resulting in a relatively high price in local markets generally making them more profitable and less risky than regional markets; (ii) the inconsistent quality of local rice due to inadequate post-harvest technologies resulting in paddy that is not well sorted with a highly variable humidity content; (iii) a high percentage of broken rice which is not appreciated in all regional markets (but is in Senegal and the Gambia); and (iv) the large number of non tariff barriers collecting various fees along major export routes.

One of the major challenges facing Malian rice producers and exporters is to develop lower cost production and processing techniques that will provide a product to meet the highly diversified demand in regional rice markets. The key to expanding rice exports is to gain experience from targeting potential markets where one specific quality is preferred and where the likelihood for success is great, and then to capitalize on this experience in addressing the demand in other rice markets.

E3. TradeMali Program

The overall objective of the program is to help rice traders to secure a larger market share in regional markets. One of the major challenges facing Malian rice producers and exporters is to develop lower cost production and processing techniques that will provide a product to meet the highly diversified demand in regional rice markets. The key to expanding rice exports is to gain experience from targeting potential markets where one specific quality is preferred and where the likelihood for success is great, and then to capitalize on this experience in addressing the demand in other rice markets. To this end, TradeMali intends to link rice traders to export markets through several activities.

<u>TradeLinks Unit:</u>

- Determine the structure of demand and the competitiveness of Malian rice in targeted regional markets ;
- Develop commercial partnerships, as well as contractual and operational linkages, between exporters and regional importers;

- Monitor destination market prices and identify key factors determining market prices (seasons, holidays, supply);
- Assist current rice exporters and traders to improve their operations.

Policy Unit: The assessment will be undertaken in-huose and will concentrate on:

- Studies undertaken a few years ago have indicated that Mali could profitably export rice to neighboring countries. Since the publication of these studies, market and economic conditions have changed within and outside West Africa. For instance, (i) international nominal rice prices have been declining in recent years; (ii) the US dollar, the currency in which world market prices of rice are denominated, has depreciated markedly vis-à-vis the euro, and thus the CFA franc; and (iii) the recent investments in the development of irrigation schemes may have affected paddy production costs given that these investments are to be amortized and yields may have increased as a result of the new infrastructure. As a result of these changes, the studies need to be updated to have a better understanding of the competitiveness of Malian rice in both domestic and regional markets.
- Enhancing rice exports to the regional markets will require that Government send a strong message to rice stakeholders by lifting cereal export bans promulgated on November 15, 2002. Government needs to avoid interfering in cereal exports through ad hoc export bans in the name of assuring national food security. Such ad hoc policies are incompatible with the spirit of free trade and the liberalization of the cereal market that has been underway since the early 1980s.
- Government and the private sector need to work together to establish Malian norms and standards for rice, taking into account those available at WAEMU and which are compatible with WTO rules.
- Government needs to collaborate with neighboring governments to reduce illicit taxes levied on both imports and exports along major trading routes.

BDS/Communication Unit:

- Support traders and trader associations to help them better understand the planning and product quality processes;
- Provide feedback workshop following market test(s) to assess strengths and weaknesses, define mechanisms to overcome constraints and draw lessons learned;
- Diffusion and training in export requirements;
- Media publicity in selected markets promoting Malian rice;
- Communication on investment opportunities in rice processing;
- Provide information support services to NGOs and associations working in the sector to help them better understand planning and product quality control needs and systems, and their role in providing services to the private sector;
- Provide training in the implementation of contracts including individual and collective responsibilities: producer-merchant, producer-supporting agency, supporting agency-project;
- Organize an information workshop (Rice Day) following the marketing period to assess the sector's strengths and weaknesses, define mechanisms to overcome

supply, logistics and communication constraints and draw lessons learned for the following campaign;

- Diffuse export requirements, develop an export quality guide, organize technical training sessions and disseminate the results of the marketing test (lessons learned) as part of a promotional campaign to promote Malian rice exports.

E4. Rice Storage Credit and Centralized Buying Location

Due to pressing financial concerns, rice producers sell much or most of their rice at harvest, leaving little alternative for producers to take advantage of future marketing opportunities. To address this issue, TradeMali will pursue a credit rice storage activity initiated by CARE in Djenne, which uses harvested rice stocks as a guarantee for credit from local financial institutions. First year activities for this operation, which improves the solvability of producers, helps stabilize prices, and provides a known collection/buying site for bulk purchasing, will include:

- Organization of meetings with producer associations in Mopti, Djenne, Timbucktu, and Segou (Office de Niger and Office Riz Segou zones) to explain the mechanism and advantages of using rice stocks as a credit guarantee;
- Contact, negotiate and sign contracts with rural credit and other financial institutions to accept rice stocks as the guarantee for credit (C*rédit Stockage Vivrier*);
- Train producer associations in storage techniques and management;
- Provide market price information to associations, wholesalers and exporters; and
- Facilitate contacts between producers, buyers, exporters and importers.

E4. Summary Chart: Rice Sector

CURRENT SITUATION	MARKET POTENTIAL	CONSTRAINTS	EXPECTED RESULTS IN YEAR 1	BUSINESS DEV. SERVICES	COMMUNICATION	POLITICS	TRADE LINK	PARTNERS
1. Production Farm level production of paddy increased from nearly 469.000 in 1994/95 to about 840.000 Metric Tons (MT) in 2001/02, an increase of about 10% per annum. **2. Production Zones During the period 1995-2000, Segou, Mopti, Sikasso and Tombouctou accounted for 56%, 14,28%, 14,08% and 8.05% of national supply, respectively.** **3. Period**: The major harvest season for Paddy is between December and March. **4. Current varieties and markets** Gambiaca, the locally produced variety, is very fresh and predominantly consumed within Malian borders, particularly in Bamako. **5. Actors** Exist strong producers and traders s in the production zones.	**1. Markets** At present, it is reported that Mali exports a few hundred MT to West Africa, particularly Mauritania. Nonetheless, there exists a large regional market that can be targeted by Malian exports, as average rice imports into West Africa for the 1995-2001 period are as follows: 929,235 MT for Cote d'Ivoire, 543,374 MT for Senegal, 217,238 MT for Guinea, 122,691 MT for Ghana, 116,507 MT for Burkina, 87,994 MT for Niger and 86,853 MT for Mauritania. **2. Quality and variety** Different qualities of rice are consumed: perfumed long grains in Cote d'Ivoire and Ghana, 100% broken rice in Senegal, parboiled rice in Guinea and 35% broken rice in other countries. Imported rice is homogeneous and clean. **3. Packaging** Rice imported into West Africa is generally packaged in propylene bags of 25 and 50 Kgs.	1. Domestic markets are generally more profitable than the regional markets because of higher domestic prices resulting from the preference of Malian consumers for locally produced rice. Recent price data show upward trend for the price of locally produced rice while price for Asian rice is declining in international markets. 2. Quality of locally produced rice is poor because of paddy heterogeneity and inefficient post-harvest technologies. Drying is inappropriate and processing technique is inefficient owing to the use of small mobile mills, yielding dirty and broken rice. 3. Quality of rice consumed in regional markets is not the same for all the countries. 4. Competitiveness of Malian rice in regional markets is affected export bans and illegal taxes along the corridors.	1. Regional demand assessed 2. Quality of local rice improved 3. Competitiveness of local rice improved 4. Trade alliances in regional markets established	**1. Training** Post-harvest techniques. Norms and standards. **2. Strengthen capacity of professional organizations** Set up norms and standards for Malian rice.	Issue pertinent articles in the Media to pinpoint nutritional benefits from freshness of Malian rice. Communication on investment opportunities in small rice mills. Monitoring of regional and international markets. Participation in regional tours and fairs.	Lift ad hoc export bans on cereals. Set up mechanism for Malian norms and standards. Apply regime for taxation of inputs for exported rice. Better understanding and application of WAEMU and ECOWAS rules.	Conduct rice export tests to draw useful lessons. Identify potential Malian exporters and regional importers to link them.	Partnership with the Direction Nationale du Commerce et de la Concurrence (DNCC), Direction Nationale de l'Industrie (DNI), Direction Générale de Réglementation et du Contrôle (DGRC), Office du Niger, Délégation Générale à l'Intégration Africaine and Observatoire du Marché Agricole (OMA) Collaboration with private sector stakeholders (Transporters' Union, Conseil National des Chargeurs du Mali, Rice producers' and exporters' associations). Collaboration with Mali Finance, Mali Production and other donors or donor-funded rice projects.

SECTION IV

Cross-cutting and Special Activities

A. Gender

A1. Strategy, Objectives and Overall Approach of the Gender Component

Recognizing the important role that women play in the agricultural sector, particularly in horticultural production and small-scale processing, TradeMali intends to mainstream women and professional women's groups in all its programs. Its Gender Officer will ensure that the gender component is well integrated into project programs. TradeMali has designed both a global strategy and specific gender activities to better integrate and better meet the needs of women entrepreneurs and women groups.

A1a. Global strategy

The global part of the strategy comprises four types of activities**:**

Integrating women in all project activities

- Establish the Gender Consultative Committee

In January 2004, TradeMali put into place a Gender Consultative Committee that is to work along side and be a part of the overall Project Consultative Committee. The gender committee meets 4 times a year to provide guidance and orientation to project planning, and helps to make the project more aware of gender issues. When required, the committee assists the project in organizing special events such as round tables and information dissemination activities.

- Establish gender guidelines and numerical targets

The project is establishing along with the Mission Gender officer targets for an increase in the participation rates of women in project activities. The objective is to seek significant participation of women entrepreneurs in underrepresented segments of the supply chain such as exporters and traders. Indicators are also to be drawn up for activities such as training, study tours and professional events.

- All global performance indicators are gender disaggregated for better follow-up and impact analysis.

Support to existing agro-enterprises

Objectives:

- improve management capacity
- Reduce production costs
- Improve product quality and merchandizing
- Improve marketing

Activities include:

- training (management, technology upgrading, marketing)

- Information transfer and awareness building
- Support to access appropriate technologies

Reinforce associations of women entrepreneurs

Objectives:

- Improve overall operation of the associations
- Provide lobbying and negotiation skills
- Develop the capacity to provide useful services to their members

Activities include:

- Forums
- Workshops and training sessions
- Support access to the Internet
- Filière events

Targeted Associations:

- *Réseau des transformatrices de la Direction de la Promotion de la Femme (Ségou) ;*
- *Réseau des transformatrices de l'ORS*
- *ATRAPAL (Bamako)*
- *Réseau des transformatrices (Ex APROFA), (Sikasso)*
- *Groupement d'exploitantes agricoles de l'ON (Niono)*

Search for new sub-sectors for women entrepreneurs

- Research new market opportunities in the dried fruits and vegetables; two areas where women are implicated at all levels of the supply chain;

- Investigate putting into place a pilot operation with women groups, possibly in conjunction with Helen Keller International, to place and to animate a women's radio *Club d'écoute* within the ON region.

A2. Goal, Role, and Composition of the Gender Consultative Committee

The Committee will advise TradeMali on mechanisms and opportunities to fully involve women in its efforts to strengthen commodity value chains. The committee will be composed of 10 resource-persons who work either in the agricultural sectors or with support organizations and/or public institutions. The Committee will meet once each quarter or additionally at their request. The mission of the women's Consultative Committee is:

- To provide recommendations about strategies and activities as proposed in TradeMali's annual work plan;
- To make recommendations related to project activities after reviewing program reports prepared by TradeMali, and monitor performance indicators assigned to the Gender component;
- To serve as spokeswomen between TradeMali and institutions and associations which they represent to improve the understanding of project objectives and activities and to facilitate dialogue with the Project ;

- To assist TradeMali to mobilize women entrepreneurs and their associations. To achieve this, the committee may organize meeting and social events to discuss issues of interest to women agroentrepreneurs and women's professional associations.

This activity is tracked in Table 7 of Annex A. Additional activities are anticipated in Year 2 and 3 and will be based on experience and demand from Year 1.

A3. Sub-sector Specific Approaches to Gender

In each of the targeted sub-sectors, the project will:

- Support women groups working within the sub-sector: small farmers, processors, traders, agricultural and collectors with tools such training, information and technical assistance;
- Bring actors in the sub-sectors to adhere to labor, health and safety codes in the processing plants;
- Create direct trade alliances between women producer groups and overseas trading partners.

A3a. Rice Filière

In general, women do not have access to land (and in particular, developed land) although they usually participate in agricultural activities within a family setting. In the production and processing of rice, women plant and weed, and provide hired labor services to non-family producers. Manual harvesting is generally done by women, as are winnowing and de-husking activities. Women are also the main retailers of rice in the local markets.

TradeMali will include women in its rice sector activities by identifying women agroentrepreneurs and women groups involved in the processing and marketing of rice and, with Mali Finance to provide support to increase their participation in rice processing and trade promotional activities, including the creation of commercial alliances with importers for targeted exports. The most successful rice processor in the rice producing area of Niono assisted by the CAE project is a woman entrepreneur, Ms. Diarra. She can serve as one of the models for others and her example will be promoted.

A3b. Red Meat Filière

Women, whether in Mali, the rest of Africa, or elsewhere, are not major participants in the animal sector other than special cases, such as processors of dried meat and herders of small ruminants. Rarely are women involved in the export of animals on the hoof or red meat products. However, TradeMali will include women in its red meat export program by promoting export opportunities with women's agribusiness and export associations and by the recruitment of women in businesses created for the export of red meat products.

A3c. Mango Filière

Women are involved in the mango filière on three levels:

1. In the marketing of fresh mangoes in domestic markets;

2. As salaried staff in export mango processing stations as on-farm buyers, and screening and packaging agents; and
3. As owners of small-scale manual processing activities for the production of mango products (e.g., jam, juice or dried products) that are sold either in the national or regional markets.

In the fresh mango sector TradeMali will involve women by:

- Seeking investment opportunities in supply chain logistics, and seek women entrepreneurs interested to invest is such opportunities and accompany them in seeking support from Mali Finance
- Ensuring the participation of women agroentrepreneurs and women's groups involved, or interested in becoming involved, in fresh mango exports both in capacity building and trade promotion activities.
- Seeking to create commercial alliances with partners in targeted export markets
- Training women in the areas of on-farm buying and screening-conditioning
- Working with Mali Production to identify ways in which the production of organic mangos can be expanded.

A3d. Potato Filière

At present, the potato filière does not employ a significant number of women, neither in the production, nor in the wholesale marketing of fresh products. Women are found primarily at two levels:

1. Retail sales in the local markets;
2. As owners (individually or as associations or groups) of small-scale processing activities for the manufacture of potato chips. Supermarkets and groceries in urban centers generally sell these commodities.

TradeMali intends to increase the role of women in its potato export program by the following actions:

- Promote the recruitment and training of women in the export processing phases (sorting, washing, and packaging);
- Once an export operation has been completed, study entry points for women entrepreneurs within the value chain;
- In conjunction with Mali Production, establish links between producer associations and women groups with buyers and exporters. This will be done through series of filière events and meetings in the production areas. Due to the production cycle, this activity will be delayed until 2005.

A3e. Karité Filière/Sésame

Among agricultural commodities, the karité sector is one that employs large numbers of women. It has been estimated that in Mali, 3 million women live on incomes derived from karité. Women are involved in most aspects of the industry: collection, storage, processing and small-scale retailing. Men are involved in the marketing as village level collection agents, wholesale merchants or exporters. Men are also involved in semi-industrial or industrial processing of the nut.

While TradeMali recognizes that a great deal of the work in the filière will have to be done at the village and production level, it is not equipped to deal effectively on its own to have significant impact. Instead it will work with women through existing programs that have established relations, networks, and contacts at the production level. TradeMali will be involved in the following:

- Identify women agroentrepreneurs or women's groups involved, or interested in becoming involved, in exports and ensure their participation capacity building and trade promotion activities and in the creation of commercial alliances with partners in targeted export markets; and
- Collaborate with NGOs, organizations and projects to improve the quality of karité products and to strengthen management and marketing skills of their members.

In the sesame filière, two-thirds of the 5,000 producers are women, however, there are few involved in exports. As sesame is a recent addition to the targeted filières during Year 1, TradeMali will be exploring ways to increase the opportunities for women through AMARES, the *Association Malienne pour la Revalorisation et l'Exportation du Sésame*, an organization supported through Enterprise Works.

B. Communications

The communications cross-cutting activity is included in the work plan because of the lack of sufficient information in producing areas regarding export markets for agricultural products. The heart of the communication strategy is the segmentation of the target for information services: a) a low-literacy rural population and b) actors in the export supply chain that increasingly rely on "just in time" market data information. The first segment will be addressed by focusing on rural radios; the second segment will emphasize Web sites and a broader use of Internet. Both segments will be complemented through the development and dissemination of filière-based visuals; i.e. technical sheets, videos and illustrated exporter handbooks, and articles for the written press. To improve leverage, TradeMali will establish partnership relations with Mali's private rural radio network and professional association, InfoCom's CLIC Project, the Geek Corps, and the Peace Corps. TradeMali will also promote the sustainability of rural radio networks by seeking commercial sponsors for radio programs and announcements related to agricultural filières.

B1. Rural Radios

TradeMali will initially select rural radios that have a predominant audience base in the targeted filières' produce and processing regions. It will then identify and evaluate with the radio stations and their network (URTEL) institutional reinforcement needs that can be supported by the project. Key to these considerations will be the needs, if any, to expand the penetration rates of OMA market pricing announcements and those from similar market information sources.

Subsequently, the strategy will focus on reinforcing and expanding content and programming in order to improve the type of information (importer standards, information on export packaging, processing and generic entrepreneurial skills) as well as the quality and diversity of business-type shows (on-site reporting entrepreneurs, regional economic data gathering). The strategy includes working with OMA to explore ways that they can enlarge the number

of products they provide price and market information for, as well as improve the value and timeliness of information from external markets (Table 6, Annex A).

B2. Web Sites

In Year 1, TradeMali will concentrate on evaluating the needs of three institutions for improved Web sites (ON, OMA and DNCC) and define what institutional strengthening actions are required to improve the quality of the sites. An objective is to increase by a least 10 percent the number of visits over present monthly visits to the sites. The Web sites will be promoted at each of TradeMali's filière restitution workshops and other public events.

TradeMali will subcontract with a local firm that will work with the institutions requesting assistance to provide training and institutional reinforcement as they relate to managing and updating their Web site. The next step will include reinforcing content quality of the sites, more user friendly display of information, and improved visibility and dissemination of the Web site.

TradeMali will not establish a Web site in its first year, preferring to focus on filières and their actors rather than on the project structure. BDS and the communication section will support initiatives from groups within a filière to establish a proprietary Web site to keep members informed and to communicate information to regional and international partners and importers.

B3. Other Communication Medias

Newsprint: This media will be used to announce the issuance of RFPs, public tenders and professional event schedules related to TradeMali and partners. There will be press releases and specialty articles produced for each filière and for each completed export operation.

Targeted publications: These will include technical sheets, guides for exporters and regulation manuals on norms, codes, standards, import specifications. These will be produced at the request of, and in close collaboration with, relevant public sector services and private sector actors in the filière and, when possible, sold on a cost-recovery basis to insure continuity.

Television: TradeMali recognizes the important role played by the national television in terms of its impact on information dissemination. However, BDS and its communication section will first assess the efficiency of rural radios prior to embarking on a more costly use of television programs.

Traditional and digital video: Visuals, such as videos, are perhaps the most efficient and cost-effective medium to disseminate information, increase awareness and provide training. Over 10 years ago, the UNDP introduced video techniques in Mali to train and inform illiterate farmers in improved rice production techniques. Over 8,000 farmers in the Ségou region have been trained using a combination of locally produced video films, audio cassettes using real-life discussion and in-the-field work sessions, and pictorial support booklets. The BNDA also used the multi-platform media to initiate rural populations to basic banking process.

The success of these two information dissemination initiatives are considered as models to provide training to TradeMali's targeted actors. The *Centre de Service de Production*

Audiovisuelle CESPA is the local institution that produces the videocassettes. During Year 1, TradeMali will test the adaptation of the video packages, in conjunction with Mali Finance, Mali Production and with the DevComm CLIC project as follow-ups to technical training cycles planned for each filiere.

In Year 2, TradeMali will also evaluate the use of digital videos as a complement to analog videotapes, since the former can be easily edited, dubbed and reproduced in multiple CD ROMS on a project computer. Digital video will play an increasingly important role in the rapid dissemination of information since it can be produced quickly, at low cost and can be viewed on portable computers, any desk tops and at internet cafés.

Public forums/professional events: The above communication actions will be accompanied by "professionals meetings" for each filière. These events will be organized in such a manner that information is transmitted through visual presentations (Power Point, videos), written documents (data relative to markets and services) and oral presentations by specialists. A guiding principal is to create a pro-active dynamic to promote the dissemination of information among the major players in a specific value chain.

C. Special Activities

Two additional activities that TradeMali initiated since start-up have been its Northern Initiative, through the opening of a branch office in Timbuktu, and a synergy partnership with Mali Finance. The latter has been solidified through a series of meetings, joint events, and regular exchange of information on matters ranging from technical, administrative and monitoring and evaluation issues (Table 9 and Table 10, Annex A).

C1. Northern Initiative

During Year 1, the Northern Initiative, implemented with the Chemonics' subcontractor, CARE/Mali, will focus on post-harvest rice storage and on opportunities for handicrafts, anise, animal by-products (cheese), and livestock for export markets. (Table 4, Activity 4.1.1).

We will respect the basic tenants of a market driven approach in the Northern Initiative. In Year 1, TradeMali will focus implementation activities in and around the region of Timbuktu, while exploring demand markets for products that are produced in other regions such as Kidal and Gao. We will expand activities into other regions of the North in Year 2 as markets are identified.

One filière that will be explored is anise, a condiment grown in the region of Timbuktu that is exported to sub-regional markets. Last year the entire production of approximately 20 tons was exported to Niger and Togo. A market demand for anise has also been identified in Nigeria. Camel and goat cheeses are other products having a potential strong regional demand in Libya. For each of the identified opportunities, TradeMali will work with Mali Finance in efforts to reinforce service providers and local credit institutions and accelerate investment in these promising subsectors. TradeMali will be targeting entrepreneurs and professional associations.

Support to filière organizations

Northern Mali has the potential to expand trade opportunities *anise*, livestock and its by-products, and handicraft. To increase export volumes for these products in Year 1, Trade Mali will evaluate the demand markets and assess price/quality and logistics to support market opportunities. Activities planned (Table 9, Activity 2) include:

- A Business Forum, which is a platform to identify opportunities and develop consensus among economic partners in the region on how to best seize business opportunities;
- Selection of one or two promising export sectors and investment opportunities for further involvement from those identified in the Business Forum;
- Follow-up activities to the work plan developed by participants of the Business Forum.

The Northern Initiative will also help increase the knowledge base of businesses and professional associations through basic management training. We will conduct a basic need and demand assessment among businesses in the Timbuktu region, identify an appropriate training product (ex: GERM, ComptEx, Making Cent$) and conduct at least one cycle of the training. We will use the Business Forum as one way to establish the need base. (Table 9, Activity 3).

C2. Synergy with other SO9 and other Mission projects

Synergy in the field comes naturally when there is the desire by and the need for projects to collaborate. Both Mali Finance and TradeMali began at the same time, and immediately initiated joint meetings both at the technical and managerial levels. The first event organized in December by the projects, which was an "Information Day on BDS Approach and Public Tender Guidelines for service providers," was implemented jointly. Similar joint initiatives to promote the services of SO 9 projects are planned, including collaboration on the Web sites that each project will support for partner organizations, and regional project launchings with the Production Project team. TradeMali will present Mali Production its 2004 Work Plan upon their arrival with follow-up sessions planned on joint priorities, both in products and regions. The objective is for seamless collaboration among the three projects (Table 10, Activity 1).

Additional activities are:

- Joint information days on targeted filières and Northern initiatives. Other Mission projects will be asked to provide or present information about their project during the course of the information day. This has been discussed with Mission Health and education projects (Table 10, Activity 2).
- Joint support to enterprises and associations, including the passing of export related investments for advice to Mali Finance and support for negotiations with credit institutions as related to *Credit Stockage Vivier*, harmonizing training approaches, and jointly sponsoring training cycles (Table 10, Activity 3).
- Linking with Mali Production for annual selection of target crops and products promoted by each project. (Table 10, Activity 4)
- Tripartite meeting at the COP and technical staff levels in Bamako, and at the staff levels in the field (Timbuktu, Ségou, Djenne and Sikasso). While TradeMali does not yet have representation in Sikasso, it has initiated negotiations with Peace

Corps to work in collaboration with a Volunteer in the region to work with actors in targeted commodity chains. (Table 10, Activity 5)

- In communications, TradeMali will work with other Mission projects to harmonize the collection of information and the dissemination of information products whenever possible, particularly when the end result will be cost reduction through joint sponsorship (Table 10, Activity 6).

TradeMali must also leverage its resources with those of other projects—due to its commodity chain focus—even if these projects are not directly related to export promotion. Since the Mission's synergy fair, Trade Mali has followed a three pronged approach to identifying and developing ties with USAID-funded projects and related development programs. The approach includes:

- Discovery: a concerted outreach effort towards other projects and institutions. It includes preliminary presentations of overall program activities, objectives and zone of operations. It is usually a one-on-one meeting and is informal.
- Exploratory: this second phase requires preparation. It includes talks between the two project/institutions and they focus on specific areas that synergy can develop. The meeting usually includes other members of the teams, which help to develop a broader appreciation within of the project of synergy objectives.
- Regular Meeting schedule: the third phase involves formalizing activities that reinforce the projects, and establishes a schedule of regular meetings by the individuals responsible for implementing the synergy.

TradeMali has had about 15 "Discovery" meetings with potential partner projects. These include: ATN, DTS, HKI, Action Contre la Fain, World Education, Peace Corps, PSI, CommDev, CLIC, Mali Finance, ADB Mali Nord Est, Schaeffer Group, Swiss Coop, Action for Enterprise, Africare. Six have gone through the second stage, and 5 are in the third stage.

A specific example of an initiative with an education project is the ties we are establishing with World Education. They have selected 150 *école communautaire* as target participants for their program to upgrade *Comités de Gestion* for these schools in an initiative to increase the participation of parents and teachers in school affairs. They will also provide each with training and grants to entice them to improve the quality of the community schools. We discussed the zones of the selected schools and saw that our projects overlap in the Sikasso region, since a majority of mango and potato producing/processing groups are also in the same region. Since TardeMali cannot work with or provide training to all of the export-related associations in the region, we propose that one way to focus our efforts will be to give priority to the associations that are in proximity of World Education's targeted community school upgrading program.

In the area of communication, we have been working closely with CommDev to establish a synergy among radio stations that carry many USAID-related community health, education and nutrition announcements, and TradeMali's communication's program that encourages radio stations to become private service providers and thus emerge as sustainable entities.

Another synergy initiative was discussed with the ATN project health project. One of their objectives is to reduce the incidence of disease through a program to promote washing hands. While this might appear at first to be a "family health" issue, actually it is as well a new requirement that is being enforced by EurepGAP for fresh produce imported into Europe. There will soon be a requirement for all food handlers to have access to wash rooms

where all employees must wash their hands prior to handling items like mangoes in order for the fruit to be certified for export. The ATN project is developing visuals to increase awareness in the importance of washing hands, which TradeMali would like to share and perhaps use as a basis for certification requirements of exported products. This synergy is still at the “Discovery” phase.

SECTION V

Project Management

A. Monitoring and Evaluation

The Year 1 objective is to design and implement a well-functioning monitoring and evaluation system to provide information on results so that timely reinforced or refocused actions can be taken.

A1. Monitoring and Evaluation Unit

TradeMali views monitoring and evaluation activities with great importance and has established a Monitoring and Evaluation Unit for this function. As well as having the Monitoring and Evaluation Specialist located in Bamako, experienced M&E staff will be based in the project's offices in Timbucktu, Mopti, and Segou. In addition, all TradeMali technical staff are considered de facto members of the M&E team and have specific responsibilities for data collection. The M & E Unit will participate continually with the technical units and project management to assure progress towards achieving project goals.

Under its Performance and Monitoring Plan (PMP), TradeMali reformulated and established with USAID and Partners key indicators that will lead to sub IR 1 and IR2 results. The original list of some 52 indicators was reduced to a more manageable level. These indicators serve as the major consideration for work plan formulations (Table 8).

Principal activities of Monitoring and Evaluation Unit at TradeMali, in addition to developing the project M & E plan will be to: a) train partners to use the M & E system to track project performance, b) collect and analyze baseline and implementation phase data to measure project direct and associated impact, and c) to produce semi-annual and annual reports specific to monitoring project progress.

The M & E Unit will also oversee internal synergy among the three technical units to assure interaction towards achieving project goals. At the end of each year, in September, the M & E Unit will revue the possible need to readjust its work plan and that of the other units assure activities remain on target.

Under its responsibility to collect, analyze and manage performance data, the Unit will also disseminate impact and performance information to USAID and relevant partners, and will prepare brief reports and success stories to accompany numerical data.

To track the PMP, TradeMali will use a set of spreadsheets with each of the Sub IRs and the table of deliverables (in Executive Summary). Data will be collected at the local and regional levels. Tracking of TradeMali's training activities will be inputted in the Mission's TrainNet system by a staff member.

A2. Performance Management Plan

During the first quarter, IR and Sub-IR indicators, project objectives and activities for the PMP will be discussed with partners and clients, USAID, and co-projects under the AEG team's direction. Baseline and target data will be established. Data quality assessments will be undertaken once a year toward the end of the project year.

A3. Work plan

The PMP will serve as the guide for the TradeMali work plans. In addition to the policy environment and capacity building activities, the Year 1 work plan will have several key elements highlighted: gender, the North, synergy/collaboration with other projects, and a commodity sector (filière) approach.

A4. Data collection and reporting

TradeMali will report on progress towards achieving its objectives in semi-annual and annual reports to USAID and Ministry of Industry and Commerce. Quarterly reports will review activities undertaken during the period. Collection of data will be on a continuous basis and involve TradeMali technical staff, clients and partners.

A5. Project Advisory Committee

A project advisory committee with representatives from Government, and the public and private sectors will be constituted and will meet quarterly to review progress towards achieving project objectives.

B. Financial and Administrative Management

The Year 1 objectives are to recruit and train staff; put in place revised financial and administrative procedures; open Bamako and regional offices; and upgrade computer and logistical systems.

B1. Personnel

All local and expatriate staff positions will be filled by the end of the first quarter and staff provided orientation on the project's objectives and strategy. The personnel manual developed for the CAE project will be revised for use in the TradeMali project. The CAE Emergency Evacuation Plan, in collaboration with the Mali Finance Project, will also be updated for the project. A team building workshop will be held in October to help shape staff into an effective project team.

B2. Financial management and procurement

Chemonics installed a smoothly functioning financial management and control system in the CAE project with well-trained Malian staff. The staff have been rehired for the TradeMali project. Financial management software and hardware will be upgraded and training provided in early 2004. Home office internal auditing staff will visit at the beginning of the project and once a year afterwards.

B3. Equipment

Three new 4-wheel drive diesel Jeeps will be purchased during Year 1. The computer system will be upgraded with new computers, server, printers and software. Continuous operation of the network will be ensured through the purchase of new battery backup units, software and the installation of an automatic starter for the project backup generator.

B4. Offices

From the start, the project will use CARE/Mali (a TradeMali subcontractor) in Segou, Mopti and Timbucktu to bring services and monitoring and evaluation activities closer to clients. Discussions will be held with the Mali Production project on jointly sharing an office in the Sikasso region. During the first quarter, the Bamako office will be located in the ACI 2000 area, close to USAID and the Mali Finance project.

ANNEX A

Chronogram Tables for Year 1

ANNEX A

Chronogram Tables for Year 1

This section contains **six activity tables**, one for each measurable result (PR 1 to PR 6), which will lead to project objective that is to increase the exports of specific agricultural products. These tables are summaries of project activities that will permit both internal and external tracking of TradeMali results. They are arranged according to the Project Performance Monitoring Plan. Tables 1 and 2 summarize activities planned under Sub IR2.1, *Improved trade policy and institutional environment*, and tables 3-6 summarize activities planned under Sub IR 2.2, *Improved competitiveness of agroentrepreneurs and professional associations.*

Each table contains five columns:

- The first column briefly defines each activity;
- The second identifies key project resource responsible for implementing the activity;
- The third column identifies the performance indicator(s) associated with the activity and is tied to the IR 2 diagram found in Annex B;
- The fourth relates the activity to a deliverable specifying, when appropriate, contract deliverable type and number; and
- The fifth set of columns are the timelines by month, which indicate the start and end period of each activity for Year 1 of project implementation. The last two columns are for Year 2 and Year 3. They provide guidance for activities that will extend beyond Year 1 or that will not commence until other Year 1 activities are completed.

There are four additional tables that define in time cross-cutting and special activities identified during project start-up as significant and specific enough to warrant separate time-lines:

- Table 7 is dedicated to **gender activities;**
- Table 8 outlines **monitoring and evaluation** activities;
- Table 9 describes TradeMali's specific actions planned for Mali's North called the **Northern Initiative**; and
- Table 10 is for activities dedicated to ensuring **synergy** with other projects, and in particular with SO 9's two other principal agricultural related projects.

ANNEX B

Performance Monitoring Plan (PMP)

ANNEX C

Major Responsibilities of Project Technical Units

ANNEX C

Major Responsibilities of Project Technical Units

The Policy Unit is responsible for regulatory matters, policy formulation and lobbying for their passage and enforcement as they relate to the export business and investment environment.

The TradeLinks Unit is responsible for identifying agricultural demand markets, describing them in specific terms (size, quality standards, delivery schedule, price), and accompanying the exports of targeted products.

Specific activities of each unit is found in the second column of each table in Annex A