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FROM THE AMERICAN PEOPLE



MALI FINANCE

ANNUAL REPORT: SEPTEMBER 2006 - AUGUST 2007
FINAL PROJECT REPORT

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FINAL PROJECT REPORT

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Submitted to:
USAID/Mali Accelerate Economic Growth Strategic Objective Team

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ACRONYMS

ACOD	<i>Association Conseil pour le Développement Nyètaaso</i>
ADF	African Development Foundation
AEG	accelerated economic growth
AFAR	<i>Action Pour la Formation et l'Autopromotion Rurale</i>
AGOA	Africa Growth and Opportunity Act
AMRAD	<i>Association Malienne de Recherche Action Pour le Développement</i>
ANPE	<i>Agence Nationale pour l'Emploi</i>
APIM	<i>Association Professionnelle des Institutions de Microfinance Mali</i>
BCEAO	<i>Banque Centrale des États de l'Afrique de l'Ouest</i>
BDS	business development services
BICIM	<i>Banque Internationale pour le Commerce et l'Industrie du Mali</i>
BMS	<i>Banque Malienne de Solidarité</i>
BNDA	<i>Banque Nationale de Développement Agricole</i>
BOA	Bank of Africa
BSIC	<i>Banque Sahélienne pour l'Industrie et le Commerce</i>
CCS/SFD	<i>Cellule de Contrôle et de Supervision des Structures Financières Décentralisées</i>
CPA/SFD	<i>Cellule de Promotion et d'Appui des Structures Financières Décentralisées</i>
CMDT	<i>Compagnie Malienne de Textiles</i>
CNPI	<i>Centre National de Promotion d'Investissement</i>
CNPM	<i>Conseil National du Patronat du Mali</i>
CSV	<i>Crédit Stockage Vivrier</i>
CVECA	<i>Caisses Villageoises d'Épargne et de Crédit Autogérées</i>
DCA	Development Credit Authority
DOT	Dourey Timbuktu (microfinance institution in Timbuktu)
FCFA	<i>Franc Communauté Financière Africaine (exchange rate US\$1:475 FCFA in Year 4)</i>
FCRMD	<i>Fédération des Caisses Rurales Mutualistes du Delta Niono</i>
GIE	<i>Groupement intérêt économique</i>
GIS	geographic information system
GRM	Government of the Republic of Mali
IEHA	Initiative to End Hunger in Africa
IFC	International Finance Corporation
IPA	Investment Promotion Agency
IR	intermediate result
MFI	microfinance institution
MIGA	Multilateral Investment Guarantee Agency (World Bank)
MSME	micro, small, and medium-sized enterprise
NGO	nongovernmental organization
OHADA	Organization for Harmonization of Business Law in Africa
ON	<i>Office du Niger</i>

ONU DI	<i>Organisation des Nations Unies pour le Développement Industriel</i>
OPI	<i>Organisation Patronale des Industriel du Mali</i>
OPIN	<i>On-line Presidential Initiatives Network</i>
PDSF	<i>Projet de développement du secteur financier</i>
PMP	performance monitoring plan
PRODEPAM	<i>Programme de Développement de la Production Agricole au Mali</i>
SA	<i>société anonyme</i>
SABA	<i>Solidarité pour l'Auto-Promotion à la Base</i>
SED	small enterprise development
SME	small and medium-sized enterprise
SO	strategic objective (USAID)
SO9	accelerated economic growth strategic objective (USAID)
SOMAFEM	Société Malienne de Fabrique d'Emballage
SOTELMA	Société des Télécommunications du Mali
STEP	<i>Stratégie et Techniques pour l'Envol des Petites Entreprises</i>
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
WB/FIAS	World Bank/Foreign Investment Advisory Services

EXECUTIVE SUMMARY

Mali Finance, a USAID/Mali accelerated economic growth (AEG) activity to increase access to financial services for Malians, began September 1, 2003, and closed August 31, 2007. Prime contractor Chemonics International implemented the project with its international subcontractors Bankworld Inc, Enterprising Solutions, Making Cents, and Weidemann Associates, Inc. Mali Finance worked in partnership with the Malian private sector and various ministries and departments of the Malian government.

Access to finance raises incomes by linking the demand for agricultural products with the supply. The project sought to expand access to finance for all citizens of Mali by strengthening the financial services sector in three ways: 1) increasing the provision of financial services from banks and microfinance institutions (MFIs) to agro-entrepreneurs and producer organizations; 2) promoting investment opportunities; and 3) building the capacity of stakeholders involved in the financial services sector through training.

As a result of the project's activities, Mali's financial institutions can better assess and monitor agro-entrepreneur loan applications and loans; agro-entrepreneurs and business development services providers can successfully develop business plans and better manage businesses; and Mali's Investment Promotion Agency is on its way to becoming *the* agency to promote and facilitate investment in Mali.

Mali Finance's efforts facilitated access to nearly 4 million *Franc Communauté Financière Africaine* (FCFA, equal to US \$8.4 million) in loans for micro, small, and medium-sized agro-entrepreneurs, traders, and business service providers. Malian women received 44 percent of all loans. Northern Mali received nearly 19 percent of all loans, a considerable number given the lack of a robust financial services network in the region. Mali Finance is leaving behind a much healthier, more vibrant financial services sector.

Over the four-year life of the project (2003-2007), Mali Finance solidified its integration with the other two USAID AEG projects — TradeMali and PRODEPAM — and with its regional partner NGOs and financial institutions. Mali Finance's considerable success is reflected in the project's performance monitoring plan indicators: the project surpassed four out of six target indicators, and achieved 96 percent and 66 percent of the targets under the remaining two indicators (where circumstances beyond the project team's control hindered success).

Main Accomplishments

Mali Finance's technical components designed and carried out activities that ensured sustainable access to finance for micro, small, and medium-sized enterprises (MSMEs) by providing business development services, creating better conditions for investment through policy and legal reforms, and supporting the availability of microfinance services to agro-entrepreneurs throughout the country.

Business development services

Not only have business development service providers in Mali acquired additional skills and an expanded toolbox as a result of Mali Finance training, but so have agro-entrepreneurs and credit agents. Those trained by the project (2,065, 38 percent of whom are women) have a better understanding of business management and are building the foundation for trusting relationships that improve communication and understanding in business dealings.

The introduction of *Micro-Plan Adapté* (Micro Plan) and ComptEx trainings by Mali Finance provided simplified tools and methods that can be easily implemented by Mali's agro-entrepreneurs and BDS providers, allowing them to better manage their businesses, increase their profits and revenues, and contribute to the reduction of poverty.

Investment

Mali Finance's major success in improving the investment environment was passage of the bill that created the Investment Promotion Agency (IPA). Still a nascent organization awaiting the appointment of a CEO, Mali Finance continually pushed IPA establishment forward. The project contributed to the IPA's private sector orientation through a grant to equip the IPA with a sophisticated central information system, and through preliminary identification and assessment of investors in Mali's agricultural processing sector for the IPA's investment project portfolio.

Access to finance

Credit agents better equipped to assess agricultural credit risk, new credit products, and the strengthening of financial institutions in the north have all contributed to Mali Finance's accomplishments in increasing citizens' access to finance. The Rice Credit Storage Program (*Crédit Stockage Vivrier, CSV*) — done in conjunction with fellow AEG projects TradeMali and PRODEPAM — was a successful new credit product for partner MFIs that greatly reduced their risk by using stocked rice as collateral. This program provided 53.2 million FCFA (US \$112,100) in credit to rice producers and traders in Year Four of the project, and 249 million FCFA (US \$524,000) over the life of the project. Similarly successful, the *Femmes Commerçantes* (Women Rice Trader Program) — conducted with TradeMali, and with the aid of a small loan guarantee fund provided by Mali Finance — enabled women to obtain credit to buy and sell rice. Both programs have been so successful that partner institutions intend to continue and expand them after Mali Finance ends.

Though not initiated under Mali Finance, Mali's Development Credit Authority (DCA) portfolio has now mobilized more than US\$3 million for four investment projects with Mali Finance's assistance. Mali's DCA is playing an important role in improving access to finance. None of the four beneficiaries would have been eligible for loans had the DCA not been in place.

Under the consolidated work plan for Year 4, activities in the North took on increased importance. Consequently, Mali Finance worked to strengthen current MFIs in the regions as well as urged already established MFIs to expand their operation in the North. In Year 4, the

north benefited from 159 loans and 310 loans over the life of project valued at 156.8 million FCFA (US \$303,000).

Lessons Learned and Perspectives

Mali Finance has faced implementation challenges and has had to adapt to achieve success. Project lessons and perspectives of interest to USAID beneficiaries and project partners are outlined below.

Coordination among actors is key

Coordination among actors proved to be key in several Mali Finance activities. The coordination among AEG projects under the consolidated work plan provided integrated interventions with agro-entrepreneurs from production to sales. The coordination and collaboration with local organizations and agencies ensured appropriate parties were kept abreast and knowledgeable of new tools and products, thus maximizing the sustainability of Mali Finance's achievements. Future activities should put a premium on coordination and collaboration with partners, as the benefits can be substantial.

Build momentum behind the Investment Promotion Agency

The IPA, with the support of Mali Finance and the World Bank, has made strides toward becoming a fully functioning agency. Much of this success is the result of close collaboration between the various projects to move activities forward. However, this momentum could stall and potential investment opportunities could be missed if the Government of the Republic of Mali (GRM) and the World Bank cannot move quickly to resolve outstanding issues.

Mitigate agricultural credit risk

Mali Finance focused on the MSME lending market. Over the life of the project it became clear that in order to continue to support agro-entrepreneurs, Mali's financial service sector needed to strengthen its medium term lending products. Without medium-term financing, agro-entrepreneurs could not finance equipment needed to grow their businesses.

Financing agricultural activities can be risky. Mali Finance's work has helped to mitigate perceived agricultural credit risk. The project trained credit agents to accurately and effectively assess the risk of loan applications. The most important change in risk assessment has been the shift to assess all income generating activities (multiple crops and multiple seasons) that an applicant is conducting rather than assessing each crop and season individually. Assessments on this basis are a much more sound analysis of agricultural credit risk. Through Mali Finance, USAID initiated this important change. The loan products (CSV and Women Rice Traders programs) introduced in conjunction with TradeMali programs have reduced credit risk and been so successful that financial institutions are adopting the methodologies and opening up new opportunities to access finance. Mali's DCA has reduced the risk for larger agricultural projects; however, the impact could be even larger with the inclusion of other financial institutions, in particular the *Banque Nationale de Développement Agricole* (BNDA). The BNDA is uniquely

positioned as Mali's premier agricultural lending institution, with the widest network and a presence in areas where no other lending institutions have branches.

Continue support for financial services in the north

There are few fully operational financial institutions in northern Mali, and those that do exist are nascent. Given that nearly 19 percent of loans tracked by Mali Finance were provided to the north, clearly there is a need and a market for viable financial institutions for the regions of Timbuktu, Gao, and Kidal. Mali Finance has taken significant steps to support, train, strengthen, and identify future partners for these budding MFIs, increasing their likelihood of sustainability. However, statistics show the first five years of an MFI are critical, and so continued strengthening, support, and trainings on administrative and financial best practices are imperative to ensure their viability.

SECTION 1 TECHNICAL APPROACH AND STRATEGY, YEARS 1-4

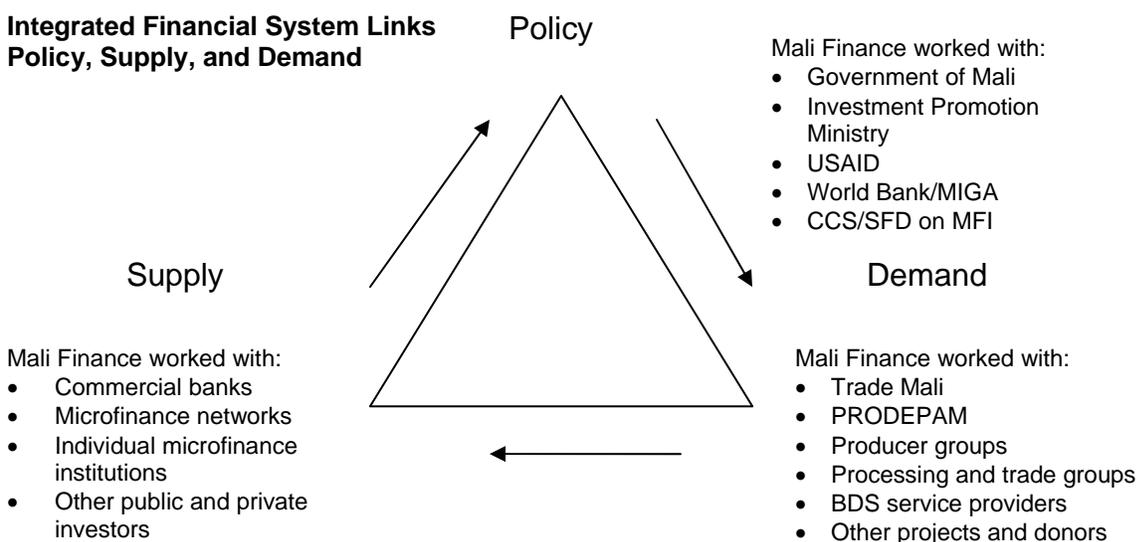
1.1 Context

The objective of Mali Finance was to increase access to financial services particularly for agricultural producers, processors, traders, and input suppliers. The project worked along commodity value chains in conjunction with fellow AEG projects — TradeMali and the Agricultural Production Program in Mali (PRODEPAM) — to increase access to finance (IR 3) through two sub-intermediate results (sub IRs):

1. Increased access to financial services (sub IR 3.1)
2. Reinforced beneficiary capacity (sub IR 3.2)

Mali Finance’s technical components addressed both the supply and demand sides of the financial services sector, as well as the enabling environment. Project activities supported the availability of microfinance and financial services to entrepreneurs, improved business development services (BDS), and created better conditions for investment through policy and legal reforms. The team integrated overarching themes such as gender mainstreaming and promoting economic growth in the Northern region of Mali into project activities.

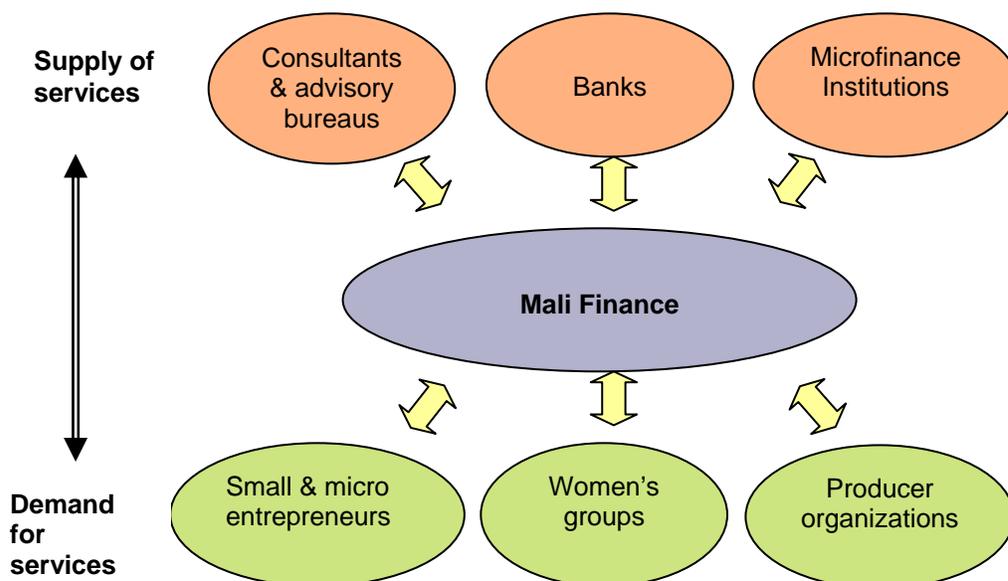
On the supply side, Mali Finance provided information to partner financial institutions about the demand for financial services, delivered training in how best to meet that demand, and developed tools that strengthened the skills and capacities of banks and microfinance institutions (MFIs) to conduct financial analyses to make better-informed credit decisions.



On the demand side, ongoing BDS services were provided through partner nongovernmental organizations (NGOs) working in the regions where the project had a presence. Partner

consultants and advisory firms are now better positioned to develop their markets, and are helped by the information sharing taking place between partners, such as between Mali Finance and the World Bank: the BDS partner list is shared with the World Bank, as well as many Mali Finance training tools, which can be developed and used by the World Bank's (WB) finance component in the future.

Mali Finance succeeded in bringing together multiple stakeholders under project activities, facilitating links and building capacity and sustainability. Financial services continued after the project withdrew.



The project team maintained close ties with USAID's agricultural production and trade promotion projects — PRODEPAM and TradeMali — to generate sustainable demand for agricultural financing. The team provided technical assistance to develop financial plans for selected agro-processors and producers. Mali Finance played key facilitating and negotiating roles once financial institutions had received completed plans. Over the project's four years, a three-pronged approach contributed to success:

1. Strengthening the skills and tools of BDS providers to help entrepreneurs prepare better business plans, leading to more bankable credit applications.
2. Strengthening agro-entrepreneurs' appreciation of the value of BDS to the success of their business, improving their access to loans.

3. Strengthening bankers' risk assessment capacity, increasing their ability to analyze agricultural loan applications, increasing the level of trust, and making the banks more likely to grant new loans to agro-entrepreneurs.

Expanding linkages between the supply and demand sides of Mali's financial services sector was a primary objective, reinforcing collaborative efforts and ensuring the smooth implementation of activities and provision of assistance. Examples of protocols signed over the project's life are:

1. *Banque Malienne de Solidarité* (BMS) with PRODEPAM and Mali Finance tripartite partnership agreement
2. *Banque Nationale de Développement Agricole* (BNDA) with PRODEPAM and Mali Finance
3. BMS, *Association Conseil pour le Développement Nyétaso* (ACOD Nyetaso), and Mali Finance
4. BMS, *Nyeta Conseil*, and Mali Finance
5. Nyèsigiso, Kondo Jigima, Kafo Jiginew, *Fédération des Caisses Rurales Mutualistes du Delta Niono* (FCRMD), Dourey Timbuktu (DOT), Wouri Ansongo with Mali Finance/TradeMali for the *Crédit Stockage Vivrier* (CSV)
6. Nyèsigiso and Kondo Jigima with Mali Finance/TradeMali for the Women rice trader program
7. Kafo Jiginew and Mali Finance and PRODEPAM for the women rice producers program in Sikasso.

The main factor in the success of the strategy was the project's development of partnerships with financial institutions, BDS providers, and agro-entrepreneurs. Our results demonstrate that efforts to build capacity for financial institutions and BDS providers improved and expedited the financial analyses of agricultural loan applications. Better tools and skills, greater understanding and trust, and quicker credit risk assessment all led to more loans to micro, small, and medium-sized enterprises (MSMEs).

1.2 Business Development Services

To improve the supply side of financial services, we developed a strategy that evolved from BDS providers to regional NGOs, requiring multiple trainings. This section summarizes the highlights of our BDS work.

The overall strategy.

At the outset, 200 known service suppliers were providing a vast selection of business development services in Mali. At that time:

- Most suppliers tended to be generalists rather than specialists. They provided the same classic accounting services for all businesses and did not use adapted and/or simplified methodologies for MSMEs.

- Suppliers were often only interested in winning the most interesting market share, regardless of demand. They offered services subsidized by donors or requested by private operators who could pay high fees for their services.
- Suppliers did not see rural agro-entrepreneurs as a viable client base. Surveys showed suppliers generally provided services to commercial business owners with money who were based in the urban areas.

The demand for business development services of our target population — agricultural MSMEs, women’s groups, and farmer organizations — had these characteristics:

- Insufficient sustainable demand: the number of small entrepreneurs, women, and producers able to pay for the requested services without subsidies or financial aid was limited, if not non-existent.
- Limited education: the majority of small entrepreneurs, women, and producers had received little or no education and most were illiterate.
- Unaware of available BDS services: partially due to their limited educational and narrow business experience, many entrepreneurs were not familiar with BDS providers and the value of services on offer.
- Not attractive to banks: commercial banks preferred to work with large commercial entities that can bring large portion of equity and collateral

The market for business development services was not demand-driven nor competitive, being inundated by donors that subsidized the services offered. Further, the market lacked professional organization and ethical standards. Given that the average small entrepreneur could not afford the typical BDS provider’s fees — averaging up to 100,000 *Franc Communauté Financière Africaine* (FCFA) per day — the net result was a lack of effective communication between MSMEs, BDS providers, and the financial institutions needed to improve access to financial services.

In the project’s early stages, Mali Finance’s BDS strategy involved helping a group of 20 qualified BDS providers to improve their services and make them more affordable, thus strengthening the link between supply of and demand for financial services. BDS providers were chosen based on their business registration information, past performance (projects developed and services provided), and their expertise in the private sector or with NGOs.

In 2005, in consultation with USAID, Mali Finance shifted its focus to developing the regional BDS expertise base. Mali Finance contracted with local NGOs to increase the project’s representation in regions and to provide the human and material resources necessary to ensure a high level of synergy and collaboration with the TradeMali and PRODEPAM projects on field activities. The number of training sessions and technical assistance provided to groups and/or individuals for business plan development greatly expanded as a result.

The strategic partnership with local NGOs was the focal point of the implementation of this BDS strategy. Mali Finance selected seven NGOs in the zones targeted by TradeMali and PRODEPAM: ACOD NYETASO, NYETA CONSEILS, *Solidarité pour l'Auto-promotion à la Base (SABA)*, G-Force, *Association Malienne de Recherche Action pour le Développement (AMRAD)*, *Action pour la Formation et l'Autopromotion Rurale (AFAR)*, and RADEC.

The general objective of the collaboration between Mali Finance and the NGOs was to make the latter autonomous in achieving activities benefiting agro-entrepreneurs both before and after financing by equipping them with qualified human resources, appropriate material resources, and adequate financial resources.

The specific objectives Mali Finance assigned to NGO partners were to:

- Ensure Mali Finance representation in the project intervention areas
- Ensure the logistic and administrative organization of training activities, and round table discussions in the zones of intervention
- Ensure follow-up evaluation of training activities financed by Mali Finance
- Conduct training courses financed by Mali Finance in the intervention zones
- Create business plans to benefit agro-entrepreneurs in the intervention zones
- Support agro-entrepreneurs in the intervention zones to find financing for their projects
- Ensure post-financing follow-up with agro-entrepreneurs financed by the credit institutions in their respective intervention zones

Principal NGO results in business planning and access to finance for MSMEs and producer organizations are presented below:

NGO	REGION	BUSINESS PLAN			FINANCING		
		Target	Results	% Achieved	Targets	Results	% Achieved
ACOD NYETASO	Sikasso	50	59	118%	25	19	76%
NYETA CONSEILS	Segou	50	48	96%	30	34	113%
SABA	Mopti	40	34	85%	20	13	65%
G FORCE	Segou	26	46	177%	13	1	8%
AMRAD	Timbuktu	22	22	100%	14	12	86%
AFAR	Gao	22	17	77%	14	2	14%
RADEC	Kidal						
TOTAL		210	226	108%	116	81	70%

Simplified micro plan for agro-entrepreneurs.

One important service in high demand was Micro Plan, a basic business-planning model that for the first time in Mali provided practical application of theory. Micro Plan is designed for small entrepreneurs using business simulation tools to increase their knowledge and understanding of market supply and demand dynamics. The image at right is a sample of the simplified Micro Plan training materials.



Combining the business-planning model with simulations allowed training participants to apply market concepts to real-life situations, and recognize how their businesses could increase profits.

In 2005, Micro Plan training was reduced from six days to three, because of the difficulty business operators had taking time away from work. The condensed three-day training is now a well-tailored module offering essential information to the private sector and MSMEs in Mali.

Post-finance monitoring methodology.

During the first three years of the project, we developed and distributed tools for financial agricultural and business analysis. But what happens after credit is disbursed is just as important for repayment as the approval process. We therefore turned to developing tools for banks and MFIs to properly conduct follow-up and monitor borrowers. Developing follow-up tools for bankers, NGO partners, and BDS providers was one of the most important new services Mali Finance implemented during Year 4.

Few microfinance institutions or banks had been involved in post-finance monitoring; they considered this service too costly. To remedy this situation, in late 2006, Mali Finance trained 18 management advisors (representing six of our partner NGOs) in post-financing monitoring methodology. Their credibility with customers has increased.

Bankers had felt mistrustful of NGOs because they believed NGOs were not performing sufficient post-finance monitoring. With this new methodology in their toolbox (see Annex 7), NGOs now comply with current banking procedures. We believe that as this tool will become the

basic standard for post-financing follow-up and that the Malian financial system will benefit greatly from its application.

Income-generating activities training modules.

Mali Finance consultant Mrs. Tompa Timbota Toure developed training materials on income-generating activities for rural women. The training materials, adapted to the women's low literacy level, included a series of storyboards to focus on two topics: The Spirit of Business Management, and the Simplified Feasibility Study.

Mrs. Toure conducted a training of trainers (TOT) course in February 2007 for 12 people. With instruction, the new trainers can train local communities' women's groups and woman agro-entrepreneurs, providing them with the skills to develop simple business plans and better manage their businesses. With this knowledge they can access finance more easily and turn a profit.

As Mali Finance closed in August 2007, it became increasingly important that the next project continue this crucial capacity building of Malian counterparts. So far, 45 women have benefited from this excellent training tool.



ComptEx accounting package.

To avoid reinventing the wheel and losing time in developing training curricula, Mali Finance relied on the successful ComptEx management tool — designed under USAID/ Senegal's Dyna Enterprises project — to meet the needs of MSMEs in urban and rural areas. It was first introduced to Mali's BDS providers and MSMEs in 2004. Each ComptEx training included a TOT segment to ensure not only the sustainability of Mali Finance's activities but to also create a local cadre of professionals to assist our beneficiaries and new clients.

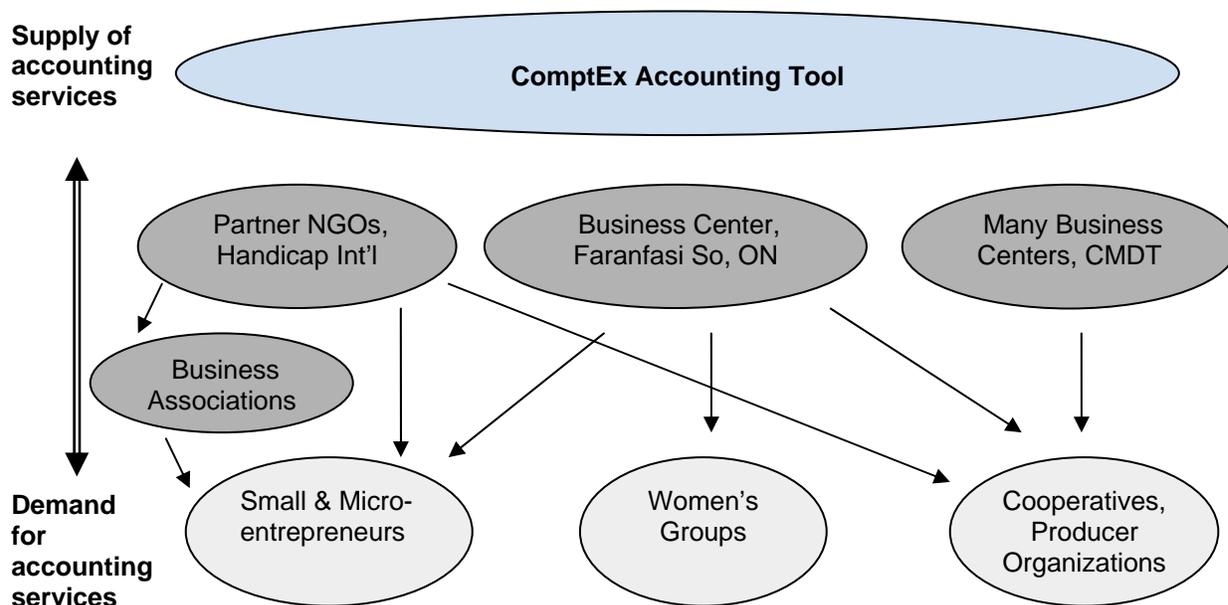
Mali Finance ComptEx trainings maintained three objectives:

1. Strengthen the technical capabilities of advisors/consultants in MSME business development services, and of producer organizations in the agricultural sector.

2. Strengthen the management capacities of those in charge of MSMEs and producer organizations in the agricultural sector, to include using the ComptEx tool in business practices.
3. Improve information in financial statements of key players in the agricultural sector so that primary banks and microfinance institution partners have more reliable information to judge production and trade activities.

ComptEx trainings prompted participants to launch new initiatives. This past year, ComptEx trained entrepreneurs in Sikasso, creating a network to work with our partner ACOD to expand ComptEx trainings. For example, a group of 40 community members created a cooperative for stockbreeders of urban Sikasso, and they have begun using the ComptEx management tools to improve their beef quality. This is an excellent example of a win-win situation: ACOD has gained a new market for business and local businesses continue to evolve into the formal sector.

Another interesting case is the multiplier effect from training two Handicap International agents in Tombouctou. For many years, Handicap International worked to improve 300 groups, businesses, and cooperatives in this region. As they were phasing out of Tombouctou, they considered how they could ensure their assistance would be sustainable. The ComptEx tool gave Handicap International exactly what they were looking for, and they provided this management tool to their 300 partners. If the 300 organizations follow through with implementation of ComptEx and enlist consultants to help on a monthly or quarterly basis, they will be in an excellent position to improve their management skills, governance, and financial accuracy to make better business decisions and improve their revenues.



We believe that the Post-Financing Monitoring tool in the ComptEx Accounting Package will improve management skills in producer organizations. Close follow-up by Mali Finance technical field agents gave producer organizations access to superior technical assistance in agriculture and financial management.

In Year 4, Mali Finance solidified ComptEx in Sikasso and expanded it throughout the northern region. With this, we believe USAID will have set in motion major changes that will have a considerable impact on the business and agriculture sectors.

1.3 Investment Promotion

Working directly to improve the supply side of financial services is essential but not enough to make the system work. Some of the most important technical assistance that we can offer relates to the enabling environment for financial services: improving the investment climate, and helping the government to put in place the framework and conditions that allow the private sector to thrive.

Mali Finance has worked with agencies of the Government of the Republic of Mali (GRM) and the private sector to establish a policy environment that promotes and stimulates investment opportunities. In line with priorities and available resources, Mali Finance has focused on:

- Providing support to the government to create a new Investment Promotion Agency (IPA).
- Assisting in the formulation, adoption, and diffusion of two well-defined regulatory and legal reforms that had a direct impact on the creation of the IPA and microfinance promotion as part of national public policy.

These activities strengthened capacity at different levels within the government agencies involved in the reforms and creation of the IPA. Even though Mali Finance had limited control over government actions to promote investment opportunities, fostering relationships with the stakeholders has proven successful.

Support the government with an investment promotion agency.

Since the inception of the project, we have carried out the following activities:

DIAGNOSTIC STUDY OF THE INVESTMENT PROMOTION STRUCTURE IN MALI

Mali Finance, in partnership with a team of Multilateral Investment Guarantee Agency (MIGA-World Bank) consultants and financed by USAID, analyzed the current approach of Malian companies to investment promotion, industrial park development, and record keeping, and based on these findings, proposed a new, more effective institutional structure. We made recommendations based on the team's evaluation, prior data analysis, experiences of other African countries in promotion investment, and the best international practices. The study also proposed draft laws and decrees for the government to adopt in keeping with international standards. After a process of amendment, in 2005 the laws were adopted by the national assembly, and Mali's new Investment Promotion Agency was created.

INVESTMENT PROMOTION AGENCY BUDGET AND ACTION PLAN

Again in collaboration with MIGA, Mali Finance prepared a five-year provisional budget for the Investment Promotion Agency. The first budget, proposing a staff of 29, proved too costly; a more streamlined structure of 15 people was approved. With MIGA, we defined the principle IPA departments: Department of Promotion and Facilitation of Investments, Office of the General Director, Department of Investor Assistance, and the Administrative Department. Mali Finance also devised the scopes of work for each key department.

We developed a short-term action plan comprised of five priority interventions and submitted the plan to the Government of Mali. These actions were: 1) appoint members of the Board of Directors to the IPA; 2) hold the first board meeting (appoint the Chairman of the Board of Directors, accept the bylaws, determine the selection criteria and process for choosing the IPA CEO); 3) consultation of the Board of Directors with the Minister of Promotion Investment and SME for the adoption of the CEO selection process; 4) install a candidate selection committee by delegating administrative council responsibilities; 5) and define committee structure and duties.

PARTICIPATION IN THE PROCESS OF RECRUITING IPA KEY PERSONNEL

Mali Finance advised the GRM on the recruitment process for the new IPA's personnel. We insisted on using qualified recruiters who are capable of implementing a transparent hiring process — a key factor in the success of the new IPA. We assisted in naming a selection committee to help a headhunting agency recruit personnel, and helped define scopes of work for this committee.

We also participated as a neutral observer in the selection committee alongside the representatives of key ministries and members from the private sector (the Chamber of Commerce, National Employers Council). We initiated the recruitment process for the CEO position and reviewed the files of the 15 candidates who applied, assessing them according to the evaluation criteria suggested by MIGA and finalizing them with the selection committee.

Throughout the recruitment process, we promoted transparency by ensuring that candidates were evaluated based on the relevance of their experience with the private sector, per MIGA's suggestion. Mali Finance participated in the selection of the top three candidates that were presented to the Minister of Investment Promotion. Our understanding of the current situation is that the Government of Mali and the World Bank have not yet been able to reach a consensus on the final choice.

IMPLEMENTATION OF A CENTRAL INFORMATION TECHNOLOGY SYSTEM AT IPA HEADQUARTERS

Alongside our partners at MIGA, we evaluated the information technology needs of the new IPA. With a plan to increase the effectiveness of work within the agency, Mali Finance purchased data processing equipment, installed the computer network, and finalized the set up of the information processing system as a whole (installation and configuration of the equipment).

TECHNICAL ASSISTANCE TO INSTALL A MORE STREAMLINED SINGLE INFORMATION CENTER WITHIN THE IPA

Our technical assistance to the WB/FIAS mission in charge of evaluating the now streamlined information resource center helped the process of registering enterprises in Mali. We made recommendations to set up a truly efficient “one-stop shop” for registering enterprises that meets international standards. Mali Finance organized and took part in discussions conducted with private, public, and official parties involved in the process of enterprise creation — *Conseil National du Patronat du Mali* (CNPM), Center of Enterprise Formalities, *Organisation Patronale des Industriels du Mali* (OPI), National Police Force, *Banque Centrale des États de l’Afrique de l’Ouest* (BCEAO), *Agence Nationale pour l’Emploi* (ANPE), Taxes, National Direction of Industries, Commercial Court, and Notary. Our discussions centered on the role of each party in the business creation process and the new work flow processes of the information resource center.

SUPPORT FOR AN INVESTMENT PROJECT PORTFOLIO TO ATTRACT IPA PROMOTERS

In order to equip the IPA with a portfolio of investment projects having qualified and credible promoters, Mali Finance carried out the first identification study of investors in Mali’s agricultural processing sector. The study — a major activity of the governmental action plan of the Ministry for Investment Promotion — covered all the regions of Mali, including the District of Bamako. More than 200 qualified and credible investors were identified in the 21 most important cities in Mali. This crucial first step not only allows the IPA to know Malian entrepreneurs and their investment preferences, but will allow the IPA to easily and quickly match potential international investors with domestic partners. Additionally, we produced a report on the project profiles of the potential women investors in the agricultural processing sector in Mali.

It should be noted that this study attracted much interest from other agencies within the GRM and the private sector. Following numerous requests coming from the State Moderator-Private Sector, National Livestock Breeding Director, and the Africa Growth and Opportunity Act (AGOA) Committee-Mali, we disseminated the study and/or parts of the study to these various structures. The *Organisation des Nations Unies pour le Développement Industriel* (ONUDI, United Nations Industrial Development Organization, UNIDO in English) actually released part of the study (the investor project profiles) on its website, and even contacted certain project promoters to link them with potential investors and/or suppliers.

While the development of the IPA and its activities has been substantial, we have not been able to implement all activities to assist the IPA due to obstacles within the WB/Source Growth project. This is one of the reasons why the World Bank’s Foreign Investment Advisory Service (WB/FIAS) is currently preparing another project to support the private sector that will pick up the activities we were unable to implement in order to make the IPA (including the single informational resource center) fully operational. We supported and collaborated with WB/FIAS during the preparation of this new project and are therefore confident there will be sufficient continuity of activities. The new project will also work on the investment promotion strategy in the sectors of agricultural processing, tourism, and small mines.

BENCHMARKING WORKSHOP

Mali Finance organized a restitution workshop based on a study prepared by MIGA and financed by USAID. More than 70 people participated from the private, public, and semi-public sectors as well as donor agencies. Various commissions formed during the workshop, and produced an action plan for each sector analyzed. Mali Finance transmitted it to USAID and the Ministry of Investment and Promotion. This action plan formed an integral part of the total action plan that the Ministry of Investment and Promotion developed within its private sector development framework. Mali Finance updated the data on the cost of infrastructure factors like *Energie du mail* (EDM), the private cellular phone company Ikatel, and *Société des Télécommunication du Mali* (SOTELMA), following observations of some of the participants who felt they were not accurate, and transmitted them to MIGA. In the same workshop, Mali Finance also presented a USAID study on the impact of transport and logistics on Mali's commercial competitiveness.

INVESTORS' FORUM IN NOVEMBER 2006

The aim of the Investors Forum was to stimulate the creation of joint ventures in Mali. Mali Finance provided the GRM with the investment project profiles index at the time of our investor identification study, which was added to the forum website. We also shared our observations on certain promotional documents with Mali's government, in particular, on the private and public project profiles. We arranged booths for USAID and IPA at the forum with large detailed posters that explained the intervention strategy of USAID's three agro-economic growth projects, while specifically emphasizing the investment results of Mali Finance.

Just in time for the Forum, we designed and printed 2,000 booklets in French based on the benchmarking study that detailed the real conditions, quality, and operating costs for an investor wishing to locate in Mali for the following sectors: horticulture, food and beverage processing, textile and clothing, and tourism and hotel trades. The booklets were distributed at the forum, and the remainder was given to the GRM for international distribution through their embassies. Of the 3,000 investment guides that were ordered in English, 1,000 were produced with our support and delivered to the GRM and participants of the Investment Forum.

During the Forum, the investment team at Mali Finance carried out many activities to attract buyers and investors. While these efforts have done much to raise Mali's profile in the eyes of investors, continued legal and regulatory businesses environment reform is needed to improve Mali's appeal.

Reform policies aimed at improving Mali's business environment.

In addition to focusing on the development of the IPA, Mali Finance also undertook activities to improve Mali's legal and regulatory business environment.

IDENTIFY LEGAL AND REGULATORY CONSTRAINTS

Mali Finance conducted a study on the legal and regulatory constraints on agribusiness financing. An action plan was proposed with a precise timeline for concrete recommendations. We recommended that the tax on financial transactions (TAF) be reduced from 15 percent to 5

percent to promote investment projects. This is a very sensitive issue because, according to the study, the TAF generates 9 billion FCFA to the state; decisions that have a direct impact on the fiscal base cannot be made without consultation of the International Monetary Fund (IMF) and the WB. To see this reform to fruition, more studies by the IMF and WB will have to be done.

CREATE A CENTER FOR MICROFINANCE PROMOTION

With the support of Mali Finance, a new entity, the *Centre de Promotion et d'Appui aux Structures Financières Décentralisées* (CPA/SFD) was created to improve the promotion of microfinance for the north, access to finance for youth, women and MSMEs, and improve the business environment. With the help and collaboration of other donors, the CPA/SFD finally opened in November 2006. It is now the focus of all microfinance promotion action in Mali.

RECOMMEND AN INDEPENDENT AUTHORITY TO MANAGE ECONOMIC INFRASTRUCTURE

In response to a request from our principal partner, the ex-*Centre National de Promotion d'Investissement* (CNPI), Mali Finance prepared a study for the installation of an independent authority charged with managing the economic infrastructures. To benefit from and share regional knowledge and experience, a study tour was organized for Abidjan and Dakar to learn from Ivorian and Senegalese experiences in economic infrastructure management. In 1978 the Ivory Coast established an authority to manage their economic infrastructure, and its effectiveness explains in part the massive surge in foreign direct investment in Ivory Coast. Other countries of the sub-region, such as Burkina Faso and Benin, have successfully implemented similar economic structures. Mali Finance produced draft text for laws and presidential decrees to institute an economic infrastructure agency, which were transmitted to the Ministry of Investment Promotion and USAID.

CONTRIBUTE TO KNOWLEDGE SHARING

In addition to our own studies, Mali Finance contributed to several others conducted by various organizations to share its expertise and experience:

- Mali Investment guide developed by United Nations Conference on Trade and Development (UNCTAD)
- National Investment Fund developed by *Projet de développement du secteur financier* (PDSF)
- Guarantee funds for the private sector of *Conseil National du Patronat du Mali* (CNPM)
- Preliminary draft of Organization for Harmonization of Business Law in Africa (OHADA) Uniform laws of the cooperatives on behalf of the *Association Professionnelle des Institutions de Microfinance Mali* (APIM/Mali).

1.4 Financial Institutions

Mali Finance established a level of stability/operability on the demand side of financial services by working with the BDS providers and with the GRM on the enabling environment. On the supply side, Mali Finance's mandate was to work closely with financial institutions to increase access to finance, with a particular emphasis on the agriculture sector.

We worked with financial institutions in two ways to accomplish our objective: 1) helped prepare negotiable business plans for major investment businesses where there was an opportunity to change the way Mali is perceived; and 2) targeted the “missing middle” by training banks and microfinance institutions in agriculture credit and investment and new products developments.

Development of business plans for major investment.

We provided quality control and revised our investor customers’ business plans to make them acceptable/negotiable to local or sub-regional banks. Thanks to our support, 11 business plans with budgets totaling 13.5 million FCFA were developed. Of the 11, 8 (73 percent) acquired investment financing totaling 2.39 million FCFA from local financial institutions.

Once the business plans were finished, we mentored our customers/investors at each stage of the negotiation process with the local or sub-regional banks. Mali Finance staff, along with the consultants who developed the plans, defended the loan applications at the banks. This mentoring facilitated a skills transfer to the local consultants. The table below lists the investment projects supported by Mali Finance.

PROJECT NAME	MARKETER	PROJECT SITE	FINANCING MOBILIZED (MILLION FCFA)	FINANCING INSTITUTION
Extension of an absorbent cotton manufacturing unit	SOTRACOM SARL	Bamako	17	BSIC on an experimental basis
Extension of cleaned cotton cleaning unit	SOFACO SA	Bamako	121	ADF (African Development foundation)
Cardboard box production unit	SOMAFEM SA	Samaya - Kati	1 000	WADB
Agricultural Product transport	Partenaire Agricole	Bamako	320	BDM
Tannery	TAMAK	Bamako	190	BICIM / DCA program
Fruit and vegetable drying with gas	SIGAZ	Banankoroni Bamako	150	BICIM / DCA program
Cattle Feed	Grands Moulins du Mali	Koulikoro	300	BICIM / DCA program
Extension of a production unit one day	Avifarm	Koulikoro	290	BICIM / DCA program
TOTAL			2 388	

Despite this string of successful activities, the results obtained were handicapped by the banks’ hesitance to finance some of the investment projects, especially those in the agricultural sector.

Mali's commercial banks concentrate on short-term credit (approximately 80 percent of their portfolios) and have limited long term sources of funding, which are necessary for agricultural lending. They thus assessed the quality of the loan applications that we submitted to them, but often declined financing due to the minimal guarantee our customers can provide.

In 2004-2005, the West African Development Bank (WADB), principal actor in the financing of investment projects in Mali, had serious difficulties with their Malian loan portfolio, with many in default. Mali's poor reimbursement rate made this important regional banking partner hesitant to continue financing projects and reluctant to provide new loans. Notwithstanding all these difficulties, Mali Finance strengthened the dialogue with the WADB and other financial institutions to improve their view of agribusiness as a viable client and a profitable business opportunity. With some support from the GRM, the WADB agreed to loan 1 billion FCFA to *Société Malienne de Fabrique d'Emballage* (SOMAFEM SA) to start up a cardboard box production unit that is critical for Mali's horticulture export sector. This support and renewed faith in the agricultural sector spurred other financial institutions to follow suit.

Support to banks and microfinance institutions.

Mali Finance activities included technical assistance to small-scale microfinance institutions, large national MFI networks, and commercial banking institutions. Key activities of this component included:

- Diversification of MFI agricultural loans through training on the value of measured lending to various agricultural sub-sectors.
- Help to the National Microfinance Association on the strategic design of a credit bureau
- Increased business linkages between MFIs and commercial banks including assistance in developing and filing targeted loan applications.

Mali Finance sought to improve the quality of MSME loan applications and consequently to increase in the number of loans disbursed. The project sought to create both short-term impact and long-term change by upgrading the skills and knowledge of financial institutions. Armed with better skills, financial institution staff can themselves work with their clients to upgrade their performance in basic accounting and good financial management. The transfer of skills and knowledge will, over the long term, change the behavior and actions of entrepreneurs in Mali through their relations with financial service providers.

Our main partner MFIs were Kafo Jiginew and Nyèsigiso. To increase the outreach of our activities, specifically for the TradeMali warehouse receipt program, the Credit Stockage Vivrier (CSV) and the Women's Rice Traders partnered with Kondo Jigima, which serves Mopti and Office du Niger Segou. Additionally, for the CSV program and for the USAID irrigation program, we worked with FCRMD in the Niono area. Due to the lack of microfinance presence in the north (principally in Kidal and Gao regions), we added three partners in 2006: Adagh Finance in Kidal (previously named Wouri Kidal), Wouri Gao in Gao, and Wouri Ansongo in Ansongo.

The training Mali Finance provided to partner MFI's credit agents allowed many agents to meet their clients' needs in basic accounting, enterprise management, and risk and profitability analysis. This is critical as experience has shown that the more MSME clients understand about banks, MFIs, and the importance of credit systems, the more their demand for loans increases. As a direct result of Mali Finance's assistance, many entrepreneurs have begun to keep records of basic business transactions (revenues, expenses, loans), which has enabled them to evaluate the profitability of their activities. These entrepreneurs can now make more informed decisions and increase their income-generating activities. Success stimulates business expansion, which requires an increase in stock, equipment, and other materials, leading to an increased demand for liquidity and larger loans.

Financial institutions require more in-depth financial analysis for credit applications of one million FCFA (US \$2,000) or more. This means the client needs a formal accounting system, including earning statements, profitability calculations, a financial balance sheet, and a sound financial enterprise structure. By starting with a well-managed system, entrepreneurs know they can maintain a good relationship with the MFIs to meet their increasing credit needs.

For most partner MFIs, the training Mali Finance provided was the first they had received in basic accounting to better understand their MSME clients. It gave credit agents simple tools that are transferable to clients. When clients know that MFIs use financial criteria for their decision-making, they not only adjust their behavior, but also change their perception of the level of professionalism of their credit agent and develop stronger relationships. Strengthening the capacity of financial institution representatives through training has enabled them to offer better services, thereby increasing their number of clients.

It is in the interest of microfinance institutions to improve the level of trust with their clients. Several of partner MFIs have seen over a 1,500 percent growth in their client base over the four years of collaboration with Mali Finance. It is now important for our partners to continue on this path knowing satisfied clients will spread the word to other potential clients, an important factor for financial institutions and increasing demand for loans.

1.5 Targeting the Northern Region of Mali

Mali Finance's effort to help the northern region of Mali, important to USAID/Mali's strategy, focused on opportunities to increase access to finance for local populations. A severe lack of microfinance institutions was identified, and there were few banks with a real motivation to lend. To change this we focused on one or two microfinance institutions per region. In Tombouctou, we focused on the Association Dourey Timbuktu (DOT), and worked with Nyesigiso to demonstrate the need and opportunity for expansion in the north. In the region of Gao, we focused on Wouri Ansongo, which was already established, and worked to establish Wouri Gao. In Kidal, much like Gao, we helped start up Adagh Finance.

Microfinance is at its nascent stage in the north and the development process there may take a couple of years before it catches up with other more established regions. Other projects and donors will have to continue providing technical assistance to newly created microfinance

institutions, which are among the top priorities of the Microfinance Action Plan of the Government of Mali.

Mali Finance invested a great deal in the development of Wouri Ansongo, Wouri Gao, and Adagh Finance, in particular, through practical training courses for the leaders and technical staff. The networks of Nyesigiso, Kondo Jigima, and Jemeni in Bamako helped train them on leadership roles and responsibilities (board of directors, credit committee, board of trustees, etc.) and the jobs of managers and credit agents. They discussed the use of management tools, administrative handbooks, accounting procedures, and credit procedures for all three MFIs. The last training was delivered by Mali Finance through its microfinance specialist in Bamako from May 19th to 24th, 2007, and included accounting principles, the development of financial statements, and performance of internal audits.

To ensure close monitoring and appropriate technical assistance to these branches, Mali Finance signed a protocol with each branch in June 2006. The protocols defined the technical assistance that the Mali Finance microfinance specialist would bring to the three institutions to strengthen their technical skills and raise them to a basic level of professionalism.

Additionally, Mali Finance was one of the principle actors to work with the Ministry of Investment Promotion and of Small and Medium sized Enterprises through the Center of Promotion and Support of the Decentralized Financial Systems on a Framework of Agreement to develop and consolidate the Wouri savings and loan branches of the northern regions of Mali. The Framework was signed by the various partners on January 9, 2007. The recipients of the Framework of Agreement are the chairmen of the board of the three Wouri branches and seven technical and financial partners:

1. Center of Promotion and Support of Decentralized Financial Systems, CPA/SFD
2. Center of Control and Monitoring of Decentralized Financial Systems, CCS/SFD
3. Agency for the Promotion and Employment of Young People, APEJ
4. Malian Bank of Solidarity, BMS-SA
5. German Cooperative Project PIFD
6. Mali Finance
7. Professional Association of Microfinance Institutions, APIM

This agreement envisions a common action plan for all seven partners to develop and re-launch the Wouri savings and loan branches of Kidal, Gao, and Ansongo through four spheres of activities: 1) reinforcement of technical capabilities and leadership structures for managers, credit agents, accountants, and bank tellers; 2) provision of loan funds at these branches; 3) provision of information processing equipment; and 4) financial support for the operating expenses of these branches for a two-year period.

WOURI ANSONGO

Wouri Ansongo resumed its activities in October of 2006 after being closed for five years thanks to the technical and financial support of Mali Finance. Wouri Ansongo was created in September

1997 and constitutes the only microfinance institution in the area of Ansongo. In April 2006, TradeMali and Mali Finance signed a draft agreement with this branch for the installation of a warehouse for *Credit Stockage Vivrier*. In this successful pilot program, three loans were granted to three cooperatives for a total of 660,000 FCFA; they were completely refunded in less than 4 months between April and July 2006.

Next, to ensure the sustainability of the CSV activity and its development in the entire area of Ansongo, Mali Finance signed a grant agreement with the branch to strengthen the technical and institutional capacities of the institution. This agreement, supported by a budget of 6.7 million FCFA, provided office equipment and supplies to ensure follow-up and monitoring of activities of the CSV program, and supported the salary of the credit agent for one year.

During the 2006-2007 agricultural season, TradeMali and Mali Finance renewed the CSV loan product by signing another agreement to finance 19 cooperatives for a total amount of more than 20 million FCFA. Considering the significant loan size for this small microfinance institution, Mali Finance continued to support the branch so that it would secure refinancing from the BMS SA. BMS granted them almost 10 million FCFA, which made it possible to ensure the financing of about 50 percent of the planned cooperatives for the CSV Program. These funds are still in the hands of the cooperatives, and full reimbursement is anticipated by the due date. Wouri Ansongo has been so pleased with this new loan product that they have indicated they can and will support the salary of the credit agent for the next agricultural season.

WOURI GAO

Wouri Gao was created in 1999; however, due to difficulties at the beginning of its activities, the institution closed for more than five years. After former members organized to restore the institution with new statutes and rules of procedure, Mali Finance seconded an employee to support the reopening process.

Financial and technical support from Mali Finance helped the branch gradually resume its activities during October 2006. It currently serves as one of the few microfinance institutions operating in the region of Gao. The board of administrators, as well as technical staff composed of the manager and the credit agent, received several trainings organized by Mali Finance, including training on the structure of its chart of accounts.

In June 2006, Mali Finance signed a grant agreement for 16.5 million FCFA to finance costs related to Wouri Gao's technical operations and the relocation of its headquarters, including office equipment and supplies. With the reopening of the branch, the credibility of the institution was reestablished among the local population and new members are added regularly. Under the terms of the agreement for development of Wouri branches in northern Mali, the CCS/SFD has confirmed the institution's technical and operational capability, and the branch will soon receive credit funds of 20 million FCFA from the BMS-SA.

ADAGH FINANCE OF KIDAL

This institution — the only microfinance institution operating in the entire region of Kidal — was created in the beginning of 2000. It also experienced significant difficulty in its early stage of existence, and the complex environmental conditions were exacerbated by the absence of qualified technical staff and lack of conformity with BCEAO regulations.

In September 2005, Mali Finance signed a grant agreement with this savings and loan branch; it was renewed for a second year, for a total of 21.5 million FCFA. This grant allowed the manager and credit agent to be trained for one month at a Nyesigiso network branch in Bamako. With the training, the two were able to organized the leadership structure of Adagh Finance; determine roles and responsibilities within the management framework; secure office supplies and equipment; and arrange for a new headquarters location to make it more credible, secure, and accessible to the population. Most importantly, the Mali Finance grant equipped Adagh Finance with funds to finance income generating activities — specifically, for women’s groups producing camel cheese to benefit from RADEC technical assistance to master production techniques.

Additionally, Mali Finance engaged an accounting expert to develop administrative, accounting, and credit procedure handbooks, and to ensure that institutional staff received technical training in these subjects.

Seeking to standardize management documents in all three northern Mali MFI branches, Mali Finance gave the Adagh Finance printed copies of documents to have available at all branches. These documents included: member notebooks, newsletters, deposit and payment forms, and checking account and term deposit cards.

Mali Finance sought partners and was able to leverage funds from the Sustainable Development Project of the Kidal Region (DDRK), which agreed to grant up to 20 million FCFA (US \$42,000), of which an initial tranche of 10 million FCFA has already been released. The BMS SA is also ready to financially support Adagh Finance as it progresses.

DOUREY TOMBOUCTOU ASSOCIATION

Dourey Timbuktu (DOT) is a microfinance institution that was installed by USAID through Africare as a microenterprise project after the rebellion in 2006. Africare’s requested that USAID finance DOT activities until it achieves autonomy; USAID thereupon asked Mali Finance to analyze the institution and deliver recommendations to guarantee DOT’s sustainability. In our analysis, we noted that three serious problems requiring resolution before DOT can achieve viability and sustainability:

- 1 An unsuitable MFI accounting system
- 2 Inadequate information management systems for the efficient and accurate management of its credit portfolio
- 3 A lack of control over the credit in arrears, especially unrecoverable loans representing nearly 15 percent of DOT’s credit portfolio.

The following urgent measures were among recommendations made by Mali Finance:

1. Establish financial statements for the DOT
2. Validate loans in arrears and account for them according to BCEAO standards
3. Audit the loan portfolio with adapted coverage measurements
4. Install accounting and administrative procedures in conformity with the regulations governing MFIs, and establish transaction and accounting software
5. Reorganize technical personnel and their training
6. Partner or regroup with other microfinance institutions in the north.

Mali Finance engaged an accounting expert in 2005 to establish DOT financial statements, including administrative handbooks and accounting procedures, and of course, training staff in the use of the handbooks. Continuing through 2006, our expert helped to validate loan balances in arrears, and to validate the unsuccessful merger with Nyèsigiso.

Mali Finance's microfinance specialist helped DOT to continue reinforcing its capacity. Also, in accordance with the implementation strategy framework, our accounting expert performed a financial audit of the DOT. At the end of his mission, the expert expressed reservations regarding the reliability of certain figures reported by DOT management, and consequently, did not certify the accounts of the institution.

As indicated by the report, any merger of the DOT with Nyèsigiso was inadvisable. Mali Finance gave a copy of the report to CCS/SFD and officially notified them of the DOT situation. Moreover, Mali Finance recommended that the CCS/SFD carry out a ground mission to check the claims resulting from the financial audit report and to take suitable measures that would be essential in accordance with regulations.

With CCS/SFD, we recommended that the DOT be immediately placed under provisional administration for approximately one year, and that the auditor proceed to precisely determine the amount of incurred credit as well as develop financial statements on the basis of accurate figures. Mali Finance, jointly with the CCS/SFD, wrote the terms of reference for the implementation of recovery measures for the DOT. These measurements are:

- Technical reorganization of the institution
- Suspend granting any new credit
- Implement recovery measures for the debts in arrears and those known as unrecoverable
- Rectify insufficiencies noted in the application of tools prescribed in the administrative, accounting, finance, and credit manuals.

Mali Finance's consultant was kept as supervisor and placed in charge of arranging activities in accordance with a specific schedule over six months, with verifiable sequential results. The following resulted from the consultant's supervisory period:

- Creation of three statutory bodies with elected members (Board of Directors: 9 members; Credit Committee: 3 members; Inspection committee: 3 members)
- Validation of 133 million FCFA loan portfolio
- Coverage of nearly 10 million FCFA carried out as of July 2006 to March 31, 2007;
- Reduction in personnel from 15 to 7 (1 accountant, 1 cash clerk, 3 credit agents, 1 driver, 1 guard); complete auditing of the personnel rights at the end of the contract
- Relocation of headquarters to a less expensive facility (50,000 FCFA/mo down from 150,000 FCFA/mo)
- Availability of reliable financial statements ending on December 31, 2005

Perspectives on this microfinance institution will be given at Section 3 of this report.

SECTION 2. PERFORMANCE INDICATOR RESULTS, YEARS 1-4

2.1 Performance Management Plan and Results Framework

Key goals during the project's life have been to make the program's BDS achievements sustainable and to improve MFI and bank lending to the MSME sector. Over the life of the Mali Finance project, MFIs have been well trained, new financing products and MFI ratings introduced, and refinancing lines negotiated.

A new, consolidated performance monitoring plan (PMP) for TradeMali and Mali Finance was prepared in April 2006, as shown in the results framework on the following page. Mali Finance results indicators relate to intermediate result (IR) 3, "Access to finance increased." These indicators measure directly the activities implemented by the project's technical components. The results in this annual report indicate the project's solid achievements over its life.

Mali Finance also reports on the Initiative to End Hunger in Africa indicators that relate to business development services provided to entrepreneurs. The project provides information on changes in the policy environment through our assistance in legal and regulatory reform, and the number of individuals and associations that have been trained and/or received technical assistance to increase their enterprise and gain access to finance. The Online Presidential Initiative Network and Initiative to End Hunger in Africa indicators are described in Annex 5.

2.2 IR 3 – Access to Finance Increased

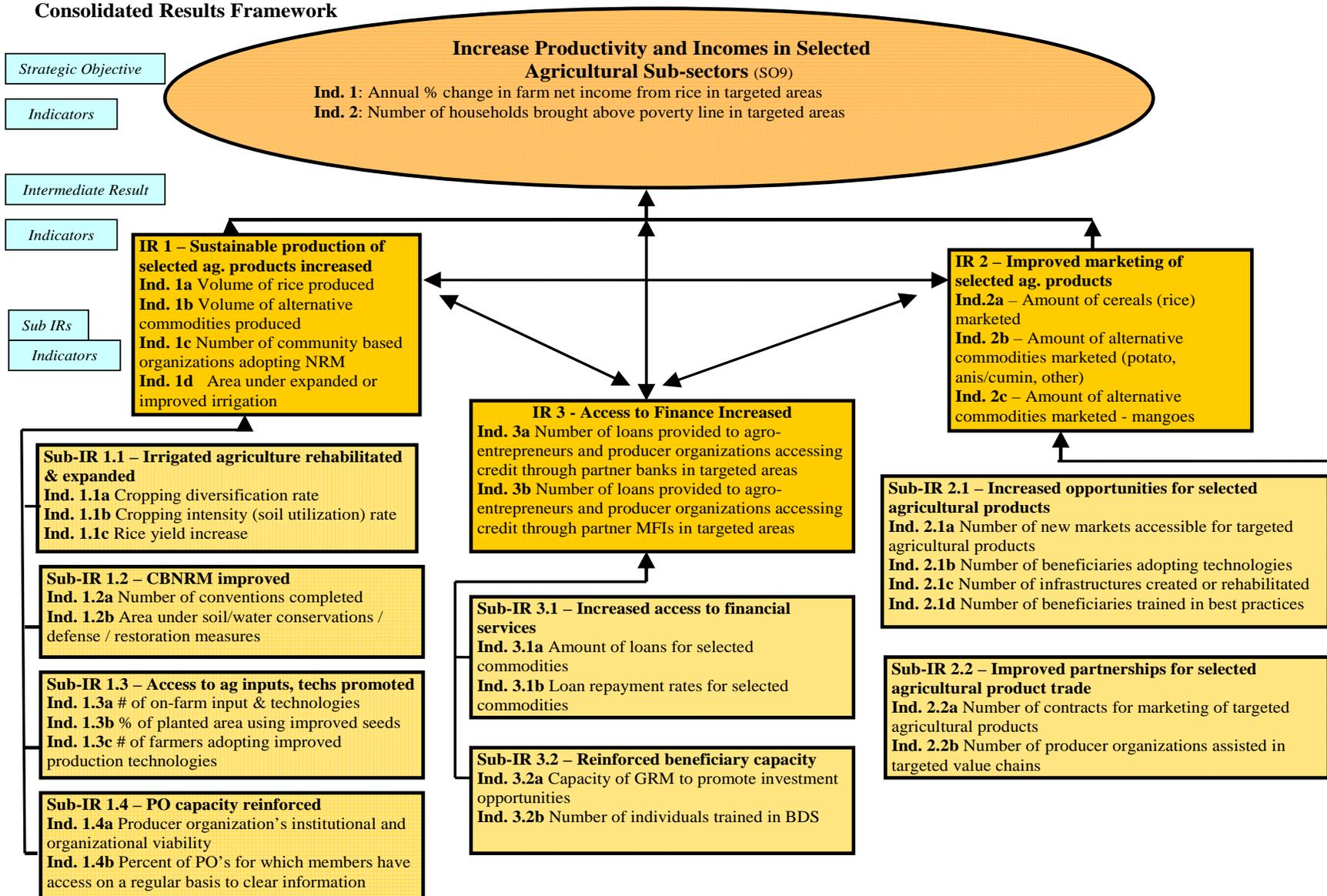
"Access to finance increased" is one of the three intermediate results that relate directly to strategic objective (SO) 9: "Increase productivity and incomes in selected agricultural sub-sectors," and constitutes the highest level of reporting results for Mali Finance. Three indicators feed into this intermediate result.

INDICATOR 3.A – NUMBER OF LOANS PROVIDED TO AGRO-ENTREPRENEURS ACCESSING CREDIT THROUGH BANKS IN TARGETED AREAS

Mali Finance successfully achieved its annual and cumulative targets in Year 4. The 47 loans provided to agro-enterprises by banks were all developed with the technical assistance of our NGO and *groupement intérêt économique* (GIE) BDS providers in three regions: ACOD Nyetaso in Sikasso, Nyeta Conseil and G-Force in Segou, Afar in Gao, Amrad in Tombouctou and SABA in Mopti. All loans were provided by BMS or BNDA, except two provided under the DCA program with BICIM. One investment deal, SOFACO, received a loan through the African Development Foundation (ADF).

IND. 3.A – NUMBER OF LOANS PROVIDED TO AGRO-ENTREPRENEURS AND PRODUCER ORGANIZATIONS ACCESSING CREDIT THROUGH BANKS IN TARGETED AREAS								
Baseline value	2004 actual	2005 actual	2006 actual	2007 actual	2007 cum achieved	2007 target (cum)	Variance from target	% target value achieved
0	9	8	40	47	104	95	9	109 %

Consolidated Results Framework



Loans were disbursed to 37 cooperatives and associations (consisting of men and women), five individual male, two individual female entrepreneurs, and three companies. The entrepreneurial activities of these enterprises largely consisted of production, breeding, and marketing of cereals, livestock, small ruminants, dairy products, potatoes, and other locally produced products. Loans given to these SMEs totaled more than 172 million FCFA (US \$363,000).

Contracts with NGO BDS partners that provided support to producer associations in business plan development, loan applications, and follow-through have been successful and achieved their assigned targets. Our multiple BDS partner NGOs worked with agricultural associations in collaboration with banks at the regional level to increase our results, which permitted the achievement of the Mali Finance's targets.

Six NGO/GIE partners submitted 44 financed loan applications:

1. 3 applications submitted by ACOD and financed by the BMS in the region of Sikasso
2. 1 applications submitted by G-Force and financed by the BNDA in the region of Segou
3. 14 applications submitted by Nyeta *Conseils* and financed by the BMS in the Office du Niger area
4. 11 applications submitted by SABA and financed by the BNDA and BMS in the region of Mopti
5. 13 applications submitted by Amrad and financed by the BNDA in the region of Tombouctou
6. 2 applications submitted by Afar and financed by the BNDA in the region of Gao.

In addition to these loans by our partner NGOs, the BCIM SA bank, with our technical support to the DCA guarantee program, approved in 2007 financing for two investment projects: a 300 million FCFA (US\$634,300) loan to a livestock feed factory (*Grands Moulins du Mali*) and a 290 million FCFA (US\$613,000) loan for the extension of an egg farm (Avifarm). This allowed Mali Finance to achieve four major investments through DCA over the life of the project. Finally, and more notably, we were able, after more than two years of support, to obtain a loan for a cotton factory through the ADF. More DCA and ADF details can be found in the Section 3 of this report.

Overall, the project achieved its target of 95 loans through local banks, such as BNDA, BMS, BDM, etc. Despite the poor enabling environment and the difficulties of working with reluctant Malian banks, we were finally able to put in place a network of NGOs and BDS providers that gained the bankers' confidence. Though this number may be low compared to banks in other developing countries; it is significant for Mali given the minimal level of organization and literacy of producer organizations and agro-entrepreneurs. Knowing the obstacles our targeted population had to overcome to obtain loans in Mali, this is surely an important success worth highlighting.

INDICATOR 3.B – NUMBER OF LOANS PROVIDED TO ENTREPRENEURS ACCESSING CREDIT THROUGH MFIS IN TARGETED AREAS

The project achieved 125 percent of the target as measured on a cumulative basis. To ensure there has been measurable project impact, we apply two criteria before counting a loan reported by our MFI partners: 1) a clear indication that the credit agent provided the client with assistance

or training using knowledge gained through Mali Finance-supported training; and 2) the training provided by the credit agent actually resulted in concrete changes in management by the client.

Of the 844 loans provided to agro-entrepreneurs in 2007, 441 loans or 52 percent were to women and 48 percent to men. There are two probable explanations for the positive results under this indicator: greater capacity of credit agents and other MFI staff to provide business assistance to agro-entrepreneurs, combined with an increased understanding by credit agents of the importance of technical support in helping clients improve their loan management and reimbursement.

IND. 3. B – NUMBER OF LOANS PROVIDED TO AGRO-ENTREPRENEURS AND PRODUCER ORGANIZATIONS ACCESSING CREDIT THROUGH PARTNER MFIS								
Baseline value	2004 actual	2005 actual	2006 actual	2007 actual	2007 cum achieved	2007 target (cum)	Variance from target	% target value achieved
0	203	589	428	844	2064	1647	417	125 %

Most loans (812 of 844, or 96 percent) fall within the category of short-term credit repaid in less than one year. These loans typically pay for agricultural campaigns and are paid back shortly after harvest. It also indicates that the capacity of MFIs to extend medium-term credit needs to be improved so they can provide the financing required for equipment purchases, working capital, and business expansion.

Nyèsigiso. The 119 loans reported for the Nyèsigiso network come from three regions: Segou, Bamako, and Tombouctou. For the first time in Nyèsigiso’s history, the majority of their loans are not coming from the Segou region in the Niger Office area, but from the Bamako region, due to creation of the new Business Financial Center. In Segou, 31 agriculture loans totaling 104 million FCFA (US\$219,900) were disbursed, for an average loan of 3.3 million FCFA (US\$6,900). This is in line with the growing access to larger loans, due partly to the technical assistance of Mali Finance. In fact, loans increased from an average of 2 million FCFA to an average of 4 million FCFA (a net increase of US\$2,200) from 2005 to 2007. Additionally a significant number of loans are now for large rice producers and producer associations. As it is difficult for women to own land in the Segou area, we are very happy to report that most of these loans (56 percent) were given to women. In the Bamako region, 55 large loans are from the new Business Financial Center, which opened in January 2006, totaling 363 million FCFA (US\$765,000), and averaging 6.6 million FCFA (US\$14,000). More importantly, this higher average loan demonstrates Nyèsigiso has started to lend to the missing middle: no longer just an MFI, Nyèsigiso is beginning to branch out and fill the need as an SME lender. In the Timbuktu region, 32 loans were originated by the CSV program in partnership with TradeMali, while two other loans were for the Women's Rice Trader Program in Timbuktu and Niono, both of which were reimbursed in full.

Kafo Jiginew. Kafo Jiginew reported 571 loans this year, a more than 250 percent increase from last year. The majority of their MFI network’s loans were short-term, less than one year, and others were up to 18 months. A total of 375.3 million FCFA (US \$793,500) was dispersed among 571 loans, with an average 657,200 FCFA (US \$1,400) per loan. The majority went to

agro-entrepreneurs in the Sikasso and Koutiala urban centers, where Kafo has a number of urban branches with specialized credit agents. These agents received training from Mali Finance, which enabled them to conduct in-depth technical analysis of loan applications received from semi-rural and urban entrepreneurs in the greater Koutiala and Sikasso areas. Eight additional loans were provided to women's associations participating in the CSV program in partnership with TradeMali. These loans constituted over 3.7 million FCFA, benefited 298 women, and were reimbursed in full.

Nayral Nef. This year, Nayral Nef microfinance, supported by the Near East Foundation, was able to report 17 loans in Douentza (125 km north of Mopti). One hundred percent of these loans was dispersed to women. Two years ago they started with only a group lending methodology and are now expanding to individual credit products, and even to male clients. This has allowed for more outreach and a growing credit portfolio, which has played an important role in achieving sustainability.

Kondo Jigima. Kondo Jigima has branches in the Segou and Mopti regions, which qualified it as a privileged partner for the TradeMali CSV program. This year, 30 groups were beneficiaries of the CSV program with Kondo Jigima: 21 in Segou and 9 in Mopti. Kondo Jigima CSV clients (670 men, 105 women) received loans valued at over 20 million FCFA and have reimbursed them at 100 percent. Equally successful is Kondo Jigima's Women Rice Trader Program, which collaborates with TradeMali. They worked with four groups in Segou and four in Mopti who have completely reimbursed their loans while saving enough to constitute the cash collateral needed for future loans. Kondo Jigima liked the Women Rice Trader Program so much that it has decided to develop a similar program of its own. With the help of our partner G Force, it disbursed 10 additional loans with the same product. This is a very promising step toward the full adoption of the product by the microfinance institution.

Adagh Finance. After helping this microfinance institution nearly from scratch since 2005, we are pleased to include their 27 loans this year (including eleven for women) for income-generating activities. These loans were possible due to our credit fund of US\$12,000 and the leveraged credit fund contribution of the Luxembourg project in the amount of US\$25,000. This should permit interest income to cover more than 75 % of the operating costs of this new microfinance institution.

Wouri Ansongo. Continuing to increase synergies with our SO9 counterparts, TradeMali and PRODEPAM, Mali Finance aimed to professionalize MFI credit operations. We guided Wouri Ansongo through the process of hiring a credit field agent, and purchased a motorbike for the institution. This insured support for the new TradeMali CSV program in Ansongo, and contributes to program sustainability after Mali Finance and TradeMali close out. This year, due to credit line of US\$50,000 from BMS, Wouri Ansongo was able to provide a record 54 loans. Of those loans, 51 were for income generating activities and 3 were for the CSV program.

Wouri Gao. This microfinance institution opened late in 2006 with a Mali Finance grant, which enabled a quick and stable start-up. They now have the challenge of solidifying their place in the Gao financing market; while there is currently no other microfinance competition, the window of opportunity will last about one year before other MFIs start opening branches in this important

market. In its inaugural year, without a credit fund or a credit line from BMS, Wouri Gao made 26 small loans totaling 75,000 FCFA.

Ind. 3.b – Disaggregated number of loans provided to entrepreneurs accessing credit through MFIs				
MFI network	Number of loans (2007)	Loans to women	Loans to men	Regional breakdown
Nyèsigiso	119	70 = 59 %	49 = 41%	Segou 31, Timbuktu 33, Bamako 55
Kafo Jiginew	571	298 = 52 %	273 = 48%	Sikasso 313, Koulikoro 258
Nayral Nef Mopti	17	17 = 100 %	0 = 0 %	Mopti 17
Kondo Jigima	30	30 = 100 %	0 = 0 %	Mopti 9, Segou 21,
Adagh Finance Kidal	27	11 = 42 %	16 = 59 %	Kidal 27
Wouri Ansongo	54	8 = 15 %	46 = 85 %	Gao (Ansongo) 54
Wouri Gao	26	11 = 42 %	15 = 58 %	Gao (Gao) 26
Total	844	445 = 53%	399 = 47 %	

2.3 Sub IR 3.1 – Increased Access to Financial Services

To best capture all the impacts of the loans at the highest level of results reporting, we defined two indicators: one to measure the quantity of the loans and the amount of loans for selected agricultural commodities, and the other to measure the quality of the loans and the loan repayment rates. These two indicators feed into the sub intermediate result “increased access to financial services.”

INDICATOR 3.1A – AMOUNT OF LOANS FOR SELECTED COMMODITIES

The amount of loans for selected agricultural commodities represents the value of the loans obtained by project beneficiaries from banks or microfinance institutions. The beneficiaries of these loans are agro-entrepreneurs, cooperatives, producer organizations, and women’s associations. The selected commodities represent those products targeted by our fellow accelerated economic growth (AEG) projects TradeMali and PRODEPAM (rice, maize, potato). In addition, Mali Finance had a number of ongoing loans that related to income generating activities and SME and investment projects. The disbursements of these loans, which relate to the agricultural sector, are included in this indicator.

IND. 3.1A – AMOUNT OF LOANS FOR SELECTED AGRICULTURAL COMMODITIES (IN MILLION FCFA)								
Baseline value	2004 actual	2005 actual	2006 actual	2007 actual	2007 cum achieved	2007 target (cum)	Variance from target	% target value achieved
0	197	472	2003	1798	4470	3260	1210	137 %

This year, Mali Finance surpassed its target by 37 percent and nearly matched last year's number of loans for selected agricultural commodities, despite the absence of a large loan like the 2006 SOMAFEM SA loan of 1 billion FCFA. This demonstrates progress on the part of Mali's financial institutions to invest in selected agricultural commodities.

We can divide the 1.8 billion FCFA (US \$3.8 million) into two main sources: banks and microfinance institutions. Banks included the BMS, BNDA and BICIM. These institutions provided a total of 883.4 million FCFA (US \$1.87 million) in loans for agricultural commodities, through their partnership with Mali Finance. Included in that amount is 174.4 million FCFA (US \$369,000) in loans provided by our partner NGOs, mostly in the regions of Sikasso, Segou, Mopti, Tombouctou, and Gao.

Mali's microfinance institutions are spread out: Kafo Jiginew in Sikasso; Koulikoro in Bamako; Nyèsigiso in Segou; Tombouctou in Bamako; Kondo Jigima in Segou and Mopti; and the northern Wouri in Kidal, Gao and Ansongo. Combined they provided over a 1 billion FCFA (US \$2.1 million) in loans, including 53.2 million FCFA (US \$112,000) for the CSV program and 19.2 million FCFA (US \$40,500) for the Women Rice Trader groups, both done in conjunction with TradeMali (breakdown by region and by banks/microfinance institution can be found in Annex 2). We are able to detail the amount of loans for selected agricultural commodities by looking at the types of commodities, as shown in the table below:

IND. 3.1A – DISAGGREGATED AMOUNT OF LOANS FOR SELECTED AGRICULTURAL COMMODITIES (IN MILLION FCFA)		
Types of commodity	Number of loans (2007)	Amount of loans (2007) in million FCFA
Rice	110	209,260,074
Maize (groups)	3	1,132,201
Cotton	1	121,000,000
Livestock and animal feed	13	334,353,210
Egg farm	1	290,000,000
Income generating activities	782	841,766,906
Total	891	1,797,512,391

Rice remains the most important activity, with 110 loans totaling 209.3 million FCFA (US \$442,000). It includes loans for the CSV groups and the Women Rice Trader groups noted above, and 21 loans totaling 61.3 million FCFA (US \$130,000) for PRODEPAM's irrigation sites. We are very pleased with these results: they illustrates that Mali Finance was able to create synergy and collaborate with TradeMali and PRODEPAM to achieve consolidated work plan activities.

INDICATOR 3.1B – LOAN REPAYMENT RATES FOR SELECTED COMMODITIES

Mali Finance calculates the loan repayment rate as the ratio between the amount of loans disbursed against amounts repaid. This indicator is a good measure of the profitability of an activity relevant to all project's targeted value chains.

IND. 3.1.B – LOAN REPAYMENT RATES FOR SELECTED AGRICULTURAL COMMODITIES							
Baseline value	2004 actual	2005 actual	2006 actual	2007 actual	2007 target	Variance from target	% target value achieved
0	100%	72%	93%	91%	95%	- 4 %	96 %

This year, the loan repayment rate for the entire Mali Finance-assisted credit portfolio is below the target by four percent. The outstanding loan portfolio is held by the major investment companies (Tamak, Partenaire Agricole, Avifarm, Sigaz, GMM and Sotraco), accounting for 50 percent of this indicator. The other 50 percent is comprised of the partner microfinance institutions' outstanding portfolios (40 percent) and the banking loans financed by our partner NGOs (10 percent). All this adds up to 2.5 billion FCFA (US\$5.3 million). While we are short of achieving overall loan repayment, all investment loans have been reimbursed on schedule except for Tamak.

Tamak SA. The major loan in arrears is to Tamak SA, a tannery factory which received investment funds under a previous USAID project. The factory took two years to start up, and delays depleted the liquid assets needed to begin operations under good conditions. The owner is now selling buildings and collateral to repay the sizeable loan of 143.5 million FCFA. Our loan repayment rate would increase to 97 percent and surpass our target if the Tamak loan were not included in the calculus.

Potato sector. In late 2005, due to the combined efforts of the three AEG projects, potato sector cooperatives received financing of 60 million FCFA (US\$127,000) under flexible conditions. The women's cooperative has fully reimbursed their loan and interest, albeit late. As of July 2007, 77 percent of the loans and interest were reimbursed.

	AMOUNT DUE IN FCFA (PRINCIPLE PLUS INTEREST)	AMOUNT REIMBURSED IN FCFA	DELINQUENT
Yiriwasé (majority men)	39,520,020	30,008,440	9,511,580
Fasokaru (majority men)	24,838,000	17,710,935	7,127,065
Sinignesigi (all women)	8,374,800	8,374,800	0
Total	72,732,820	56,094,175	16,638,645

The board of directors and the management of Kafo have decided to prosecute those in serious default to recover the unpaid credit. They asked the people in charge of the cooperatives to deliver failing members to justice (especially large debtors) in order to force them to pay before the end of August. If this happens, the remaining amount due could be spread out during the

2007-2008 agricultural season. Kafo informed the cooperatives that it would also take action with supporting claims from its recovery committee.

Despite these problems, Kafo decided to place 150 million FCFA (US\$317,000) at this sector's disposal during the 2007-2008 agricultural season. The members of the cooperatives who repaid their loans will be eligible for credit on an individual basis.

The BNDA considers its experiment during the 2006 - 2007 potato season successful, with a refunding rate of around 99 percent. They will place 450 million FCFA (US\$951,000) at the sector's disposal in the coming year. Similar to last year, it will lend only to farmer organizations in healthy financial standing. The BNDA is still tracking the 300 million unpaid FCFA (US\$634,000), which was part of the 800 million FCFA (US\$1.69 million) it lent during the 2005-2006 agricultural season.

Because of difficulties during the 2005-2006 season, the BMS did not finance the potato sector in 2006-2007. However, in 2007-2008 it intends to allocate money as long as the cooperatives provide guarantees, a *sine qua non* condition of the financing.

Women rice producers. Mali Finance, along with TradeMali and PRODEPAM, helped women's groups in Sikasso obtain access to better seeds and inputs. The region is well known for its *bas fonds*, where rice grows well, though with lower yields than under a controlled irrigation system. In Sikasso, women are the rice producers; the men concentrate their efforts on potato production. Rice production therefore is a very good gender mainstreaming activity as it offers economic opportunities to women, from production to commercialization. Five cooperatives and associations received 12.5 million FCFA (US \$26,400) to maximize their revenues.

Of the five assisted cooperatives, two did not fully reimburse as of the end of July. In Klela, the women reported flooding in their fields, which resulted in a very poor yield, and has inhibited repayment. Nearly 2 million FCFA (US \$4,000) of the original 3 million FCFA (US \$6,300) loan remains to be reimbursed — though they have in stock rice worth approximately that value, so hopefully repayment will continue. The other women's association, Zignasso, received a loan of 3.2 million FCFA (US \$6,700). Their rice sales have allowed them to fully repay their loan and earn 205,190 FCFA in profit.

2.4 Sub IR 3.2 – Reinforced Beneficiary Capacity

Mali Finance has been committed to assisting agro-entrepreneurs and producer organizations, and has supported the GRM in developing the enabling environment needed to attract foreign investment. Two indicators represent the reinforced beneficiary capacity: the ability of the government of Mali to promote investment opportunities, and the number of individuals trained in business development services.

To measure Mali Finance's efforts in building the government's capacity to promote investment opportunities, milestones were developed to track activities for all phases of the IPA: creation, development, operation, implementation, and execution. Please refer to the final modified PMP document for additional details on milestones for this indicator.

INDICATOR 3.2.A. – CAPACITY OF THE GOVERNMENT OF MALI TO PROMOTE INVESTMENT OPPORTUNITIES

INDICATOR 3.2.A – CAPACITY OF GOVERNMENT OF MALI TO PROMOTE INVESTMENT OPPORTUNITIES					
Baseline value	2006 cum achieved	2007 achieved	2007 target (cum)	% target value achieved	% targeted cum achievement
0	Milestone 1 at 75%	25 %	100 %	100 %	25 %
0	Milestone 2 at 45%	65 %	100 %	100 %	35 % (60 %)
0	Milestone 3 at 0 %	15 %	15 %	15 %	6 % (66 %)

Milestone 1: Initial Development Phase. The initial development phase, which covers mainly the second year of project implementation, consisted of nine activities. Even though we did not achieve the last activity in August 2005, we were able to finish it in October 2005. The last activity of Milestone 1, “gathering information on the investment climate in Mali,” started with the collection of information at the CNPI and the request for additional information and documentation from the World Bank, International Monetary Fund, and the private firm AZI SA. This was completed in 2005. Also, we worked with the civil servant representing the Ministry of Investment Promotion and SME to ensure the ministry had the latest statistics available from other ministries.

Milestone 2: IPA Development Phase. This is the IPA development and installation phase. The first two activities for Milestone 2, “Contribution to the organization of a forum” and “Disseminate the USAID/MIGA benchmarking study” were completed with preparation of the visit for MIGA and the workshop on the benchmarking study. In the benchmarking study workshop, we presented the USAID study on transport and logistic impact on economic competitiveness. We also partly translated the benchmarking study and produced four brochures for the National Investment Workshop.

The third activity for Milestone 2, “Facilitate the selection of team members responsible for the start-up of the new IPA” was completed in 2006 when we finalized with MIGA a new organizational chart, with key personnel and scopes of work. We also proposed a salary scale in line with the private sector to attract viable candidates for these jobs. As for the board, the goal is to have a CEO and directors from the private sector.

We actively participated in the selection committee for the IPA key personnel, beginning with the CEO position. We took part in the selection of the three best candidates whose names were communicated to the Minister of Investment Promotion. We were also part of the preliminary staff recruitment process, which signaled the achievement of the fifth activity, “Support the GRM in the recruitment of professional staff.”

The fourth activity was to “Assist the GRM in a site selection for the new IPA office location.” We proposed a good site, but because IPA is a government structure, it was impossible to rent an office at the market rate. The ministry decided to stay where the CNPI is and renovate. The sixth activity, “Assist in the development of the IPA’s business plan (with MIGA),” was completed in April 2006. We smoothed out MIGA’s rough budget by working with real numbers provided by the CNPI; the budget is now well detailed.

Milestone 3: IPA Installation Phase. The first activity for Milestone 3, “Procure and assist in installation of the computers, networks, printers and photocopier for the new IPA,” was completed in July 2007. We decided that, even without the CEO in place, we should continue this important activity to put in place a first-class IPA. As soon as the new CEO is on board, the IPA will receive MIGA’s investment tracking software: we bought, installed and configured the computers, printers, photocopier and other equipment and related software to conform to MIGA’s software. The communication network was also installed. The photocopier has a network card and is fully connected to the IPA’s fifteen computers and two laptops.

All other activities related to the IPA development and installation phase require that the IPA have a CEO and professional staff in place. The lack of commitment from the GRM on these issues and the lingering of the World Bank Source Growth project have caused major delays on IPA installation, and thus on our ability to organize the training on the investors’ monitoring system, facilitate the launch of the API-Mali website, train staff, and provide further technical assistance.

INDICATOR 3.2B – NUMBER OF INDIVIDUALS TRAINED IN BUSINESS DEVELOPMENT SERVICES

The results achieved under this indicator show the project’s impact on the three groups targeted for training, which was based on a training needs assessment at the outset of Mali Finance. It is important that all parties in the financial system — BDS providers/NGOs trainers, entrepreneurs, and lending institutions — have a common understanding of standards, best practices, and financial management expectations. This understanding will allow them to work together to increase the flow of financing. Our demand-based training modules serve this purpose by working with:

- Agro-entrepreneurs, community-based organizations, and associations
- Business development services providers, including NGOs
- Representatives of financial institutions (credit agents, bankers, loan application agents)

IND. 3.2B - NUMBER OF INDIVIDUALS TRAINED IN BUSINESS DEVELOPMENT SERVICES								
Baseline value	2004 actual	2005 actual	2006 actual	2007 actual	2007 cum achieved	2007 target (cum)	Variance from target	% target value achieved
0	240	704	764	596	2304	2075	229	111 %

Note: The number of individuals trained relates to training provided in multiple, but specific, modules. Therefore, the same individual can be counted more than one time if s/he received multiple training modules. Each training session provided to one individual is counted as one result.

Targets for achieving and measuring this indicator were set for each target group as well as for the two clusters of activities — direct and indirect training. Direct training activities are financed through the Mali Finance project, with or without co-financing from other partner projects or donors. Indirect training activities are provided by the pool of Mali Finance-trained BDS providers under collaborative agreements.

IND. 3.2B – DISAGGREGATED NUMBER OF INDIVIDUALS TRAINED IN BDS					
	2006 (cum)	2007 actual	2007 cum achieved	2007 target (cum)	% target value achieved
# of individuals trained directly	1011	349 (36 %♀)	1360	1245	109 %
# of individuals trained indirectly	697	248 (48 % ♀)	945	830	114 %
Total	1708	597	2305	2075	111 %

As the table shows, both types of training, direct and indirect, were important to achieve our results. Details of each type of training follow.

DIRECT TRAINING ACTIVITIES

We are very proud of the results of our trainings, as we follow the new Consolidated Work Plan 2006-2007. Mali Finance concentrated direct training activities in sites where our fellow AEG projects were also present. The majority of our direct trainings targeted producer and trader organizations of TradeMali and PRODEPAM. All trainings, except for one, were done at the TradeMali and PRODEPAM sites, not including the training of trainers for our NGOs and BDS providers, the AGOA workshop, and the training for the Global Development Alliance at Morila. Training activities were held at 11 sites where both TradeMali and PRODEPAM were active; 13 sites where only TradeMali intervened; and 18 sites where only PRODEPAM worked. A TrainNet summary of Mali Finance Year 4 direct trainings can be found in Annex 6.

The summary of Mali Finance direct formations during Year 4 appears below.

NGOs and BDS providers.

During the fourth year of implementation, we continued our strategy of strengthening the PRODEPAM NGOs and the TradeMali Junior Experts, while always using producer organizations as real case examples. A total of 39 people were trained, 15 percent of whom were women. Three training modules were delivered to NGOs and BDS providers:

- “Post-Finance Monitoring Methodology” in Bamako for all Mali Finance partner NGOs
- “Spirit of Business Management” and “Simplified Feasibility Study” in Bamako for all Mali Finance partner NGOs and other BDS providers
- “ComptEx Package: Simplified Accounting Methodology” in Sikasso for BDS providers, specifically the Management Center of the CMDT, and in Gao for the PRODEPAM producers’ organizations

Entrepreneurs.

A total of 310 agro-entrepreneurs (33 percent of whom are women) were direct beneficiaries of BDS training during this last year of the project. The five main training modules taught to entrepreneurs are Micro Plan (by Making Cents), Adapted Micro Plan, ComptEx, “Spirit of Business Management,” and “Simplified Feasibility Study.”

Micro Plan is a module designed for small entrepreneurs using business simulation tools to increase the knowledge and understanding of market supply and demand dynamics. (See Annex 8 for examples of impact of training activities on agro-entrepreneurs). This training module was offered to entrepreneurs in Morila, for the Global Development Alliance of USAID with AngloGold Cie.

Micro Plan (*Micro Plan Adapté*) is a local version of the Making Cents product, Micro Plan. With the assistance of our BDS consultants, in coordination with TradeMali and PRODEPAM, we tailored the Micro Plan training to the needs of the beneficiaries, particularly the cooperatives, CSV groups, and female rice traders who tended to be less educated and often illiterate. This adapted module concentrated on accounting, marketing, and profitability.

The ComptEx training module is particularly adapted to the needs of micro- and small enterprises. It gives entrepreneurs tools for accounting and management to further develop their businesses using best practices, which in turn facilitates access to credit. This year, we were able to expand the training in Mopti (covering all three northern regions), implemented it for the CMDT cotton producers, and expanded into the last untouched Mali Finance region, Gao.

For the CMDT Rural Management Centers (*Centres de Gestion Rurale*, CGR), we trained two groups: inspectors and coordinating trainers, and CGR advisers.

Presentation to Exporter (AGOA).

Within the context of AGOA Day — organized by the AGOA-Mali resource center with support from the USAID West African Trade Hub — Mali Finance conducted a workshop on “Financing Export Operations and Investments for the Achievement of Projects in the AGOA Framework.” Attendance at the workshop was marked by 32 potential exporters of national products to the U.S.

Adding up the direct training sessions provided to the beneficiary groups by Mali Finance amounts to a total of 349 people trained during the fourth year; 36 percent of which were women. A total of 134 people were trained in the northern part of the country representing nearly 40 percent of the total. This shows Mali Finance’s ability to refocus its activities in northern Mali for Year 4.

INDIRECT TRAINING ACTIVITIES

Indirect training activities were those conducted by the network of Mali Finance project beneficiaries. These trainings were either co-financed by Mali Finance in terms of logistics and training materials, or entirely financed by other supporters working in synergy with Mali Finance. These modules relate to: business creation, business management, marketing, accounting, finance, auditing, and business organization.

Indirect training activity results stem from the increased synergy and collaboration between Mali Finance and other partner projects that were willing to help fund BDS activities. Ongoing efforts to promote our BDS providers and their capacities and services will make them increasingly independent as consultants or business advisory bureaus; as long as Mali's economic situation and business development environment continue to create a demand for their services.

Our BDS providers have provided eight types of indirect training activities:

1. Training of SME advisors
2. Training of trainers in enterprise creation
3. Business development and management
4. Enterprise management
5. Micro Plan
6. GERME
7. Enterprise accounting and taxation
8. Training in internal auditing

We are pleased to report that of the 248 people trained through our BDS providers, 118 were women (48 percent). A good number of beneficiaries were agro-entrepreneurs; however, artisans, consultants and advisory agents, MFI credit agents, and community-based associations were also present. Sessions were given to beneficiaries in Bamako, Sikasso, and Mopti.

SECTION 3. LESSONS LEARNED AND PERSPECTIVES, YEARS 1-4

In this section, we examine lessons learned in five areas: 1) business development services; 2) investment promotion and the impact on the enabling environment; 3) agriculture credit risk and guarantee funds; 4) development credit authority; and 5) microfinance in Northern Mali.

3.1 Business Development Services

Behind the design of technical assistance for business development is the imperative to ensure that producer organizations will maintain and sustain the benefits for the greatest long-term impact. How can a donor project transfer skills and techniques in a permanent way? How can a project best communicate the long-term advantages to businesses of strengthened relationships with traders and financial institutions? How to communicate the higher level goals of community development and a reduced poverty level?

Mali poses specific challenges to a project trying to answer these questions. Significant business disadvantages arise from its status as a landlocked country with poor infrastructure, high-energy costs, and a low level of education among the work force. In the north, roads are in bad condition, and access to villages can be blocked for several months during the rainy season. Given these and other limiting factors, we present below some thoughts on how Mali Finance's various BDS strategies evolved and what were the best approaches for sustainable development.

COORDINATION OF TECHNICAL ASSISTANCE

Though the Mali Finance, TradeMali, and PRODEPAM projects lacked coordination and synergy during their initial phases, collaboration improved significantly under the consolidated work plan. When all three concentrations — production, trade, and financing — were combined in targeted sites in Year 4, producers saw increases in their yields and sales, and consequently their ability to obtain financing.

Coordination of technical assistance among donor projects is critical; for sustainability, there must also be coordination among local actors. Mali Finance found it beneficial to include BDS providers in training with credit agents, agro-entrepreneurs, consultants, and government representatives. Putting the players together builds the foundation for the interrelationships that are so important in doing business in West Africa.

Malian producer organizations have a very poor credit history: there is a culture of non-reimbursement, especially in the north. This cultural roadblock will not be lifted with a continued soft approach, whereby villagers are helped to repeat the same credit input each campaign. Something must change: projects must show producers how to invest in their future that offers a way out of debt. The more donor projects can coordinate to promote a mandate for change, the more sustainable impact we will have.

BUSINESS MANAGEMENT FUNDAMENTALS

Many of Mali's micro and small enterprises have grown accustomed to development project support, while others, mostly family business, follow the traditional management practice of

relying on the patriarch to make decisions. Both cases lead to arrested entrepreneurial development and reliance on outsiders for direction.

Simple accounting tools and principles —such as those provided in the Mali Finance ComptEx training — are the place to begin addressing business-driven decision-making. The ComptEx management tools integrate a system of simplified accounting with an approach to producing financial statements for small businesses. Business owners and managers can, with these tools, understand and interpret an income statement — the main intermediary between a business and its financial partners.

In theory, a patriarchal enterprise culture should be threatened by transparent accounting and decision-making system. In Sikasso, however, we have seen patriarchs participate enthusiastically in ComptEx trainings, indicating that behavior change can take place in the culture over time (of course, to ensure results, technical assistance is still needed).

Currently, most small business are able to focus only on planning and managing their short-term activities (3, 6, and 12 months). As businesses grow and mature, Mali Finance recommends ComptEx trainings that integrate planning, monitoring, and evaluation tools for medium and long-term strategies.

SUSTAINABILITY AND LOCAL NGOS

Mali Finance’s local partner NGOs made agents in the vicinity of producer organizations available, providing technical assistance and strengthening their own technical capacities at the same time and at a reduced cost. However, NGOs tend to assemble staff around a discrete donor-funded task, and rarely have permanent personnel. Many also lack management oversight. It has happened that NGO business management trainers are recruited for a specific contract and time period, which is often very short, after which activities are completely or partially abandoned. It has also happened that NGO consultants provide their services on an individual basis, or join with fellow consultants to form GIEs or NGOs that provide continuing development services.

Based on our experience, it is not the sponsor of assistance (NGO vs. BDS consulting firm) which matters but the stability of the human resources. High quality, educated field agents with managed salary expectations are critical to success. Mali Finance found the Junior Expert program of young professionals just out of university to be a good source of consultants for the medium term.

COMPTEx ACTORS AND SUSTAINABILITY

Mali Finance has noted improved behavior in those participants of ComptEx training who are directly responsible for profits. These direct actors —such as one-person enterprises and GIEs — can produce a measurable impact on business competitiveness.

Among indirect actors who participate in ComptEx trainings — associations, cooperative companies, and federations or unions of cooperative companies — while the group organization overall might improve, there has been no indication of improved business management trickling down to the individual member level. This is due in part to inconsistent application of business management principles, dependence on short-term financing to acquire inputs for members

rather than generating income, and the use of profits for social activities rather than reinvestment in production activities.

In order to break the cycle of dependence on short-term financing that production cooperatives, associations, and unions often find themselves in, we must train not only the leaders of the associations but also their constituent members in basic business management techniques.

3.2 Investment Promotion

Despite its political stability, the number of domestic and foreign private investors in Mali remains low. The reasons include poor business and economic infrastructure, a significant informal sector, good governance issues at all levels, and the absence of an effective Investment Promotion Agency. Mali Finance centered its investment promotion activities on two main aims: improve the investment environment, and increase financial flows to investors in the agricultural sector and related activities.

Mali Finance, in close collaboration with WB/MIGA and the WB/Source Growth project, was able to leverage resources that will significantly change the way Mali approaches investment promotion. The GRM adopted laws to create, staff, furnish, and support an IPA that will be infused with a private sector philosophy.

While the IPA and investment promotion in Mali have come a long way, WB procedures and the no-objection approval of activities required by WB headquarters have slowed the implementation process — including naming a CEO, a process underway for over 24 months. In light of these difficulties, USAID/Mali initiated with WB/MIGA a project to fill gaps that the WB/Source Growth project is currently unable to address for a number of reasons. This project, IFC/FIAS, will be led by MIGA's former investment promotion expert. The changes in the enabling environment implemented by Mali Finance will certainly result in improved investment in years to come.

3.3 Agriculture Credit Risk and Guarantee Funds

Access to agricultural loans is not easy in Mali: they are seen as risky, and anything beyond the short-term is nearly impossible to obtain. Only two banks are actively, albeit cautiously, providing loans to the agricultural sector: Mali's agricultural development bank, the BNDA; and the BMS — both have government support. The BNDA is so risk averse that it requests a 100 percent government guarantee for all loans. Mali Finance is proud of its accomplishment working with local microfinance institutions to create new loan products backed by small guarantee funds that have demonstrated to senior financial institution management that agricultural clients are a viable and potentially profitable.

FINANCING FOR FIVE WOMEN'S GROUPS FOR COUNTER-SEASON RICE PRODUCTION

Within the framework of the 2006 - 2007 TradeMali, PRODEPAM, and Mali Finance consolidated work plan, PRODEPAM selected five women's groups in Sikasso, who normally produce cotton, for counter-season rice production. With a loan guarantee of 7.5 million FCFA from Kafo Jiginew, Mali Finance facilitated access to finance for these groups, permitting them to purchase the essential agricultural inputs for rice production. We are pleased to report that there has been nearly full reimbursement of these loans, that their relationship with Kafo Jiginew

will continue for future campaigns, and that they are well on their way to fulfilling their business plan to diversify. As a result, Kafo Jiginew has reported rising membership rates, will continue to offer financial services related to the rice sector, and now understands the potential benefits to providing agricultural loans.

FEMMES COMMERÇANTES

Mali Finance and TradeMali identified women's groups in the Niono, Dire, Segou, and Mopti areas for participation in the *femmes commerçantes* (woman rice traders) activity with Nyèsigiso and Kondo Jigima. Originally a 7.5 million FCFA loan guarantee from both Nyèsigiso and Kondo Jigima provided 60 percent of the principal; this rate was reduced after the first successful season to 40 percent, in line with the project's innovative stipulation that loan recipients post a five percent cash collateral up front and then save an additional five percent over the course of repayment. Women's groups were thus required to manage their accounts, and through this process; they were able to independently provide 25 percent cash collateral by the end of the third year, when Mali Finance withdrew.

It is clear that these loan guarantee fund activities were successful for both the financial institutions and the clients. The groups will certainly continue to collaborate in the future, ensuring continued product development, increased professionalism, and the sustainability of marketing of activities. The women's groups' activities will gradually increase incomes and improve living conditions. Finally, membership in financial institutions will continue to rise with increased access to finance, even as rigorous loan application appraisal and post-financing monitoring continues.

OTHER AGRICULTURAL CREDIT NEEDS

Mali Finance did not work directly with the BNDA, but it is clear that future work in the agricultural finance sector must include this important player. The BNDA has the widest distribution of branches throughout the country, and is present in villages and towns where important agriculture work is taking place. BNDA was involved in some import tests on medium-term financing under the PRODEPAM project; however, the BNDA must realize that development projects are not never-ending, and that reliance on project assistance hinders not only producer organization development but also their own.

3.4 Development Credit Authority

Beginning in 2004, Mali Finance entered into discussed with BICIM with the intention to improve the rate of absorption of the DCA guarantee program. In the end, it took a change of BICIM CEO, in 2006, to really achieve an understanding of the opportunities the DCA program brings. There is now good momentum, and BICIM over the next year will have completely utilized the DCA program's US \$3 million. They have only two loans to complete; one is already in process for the cotton sector. The CEO wishes to see the DCA program continue, as it reduces risks and makes it easier to authorize investment in good projects and clients. A good example of the DCA-BICIM partnership is in the loan disbursed to Avifarm; the DCA loan guarantee provided to Avifarm and its success are highlighted in Annex 9.

LEVERAGE

Over the four years of Mali Finance, the DCA guarantee program mobilized financing in the amount of 1.8 billion FCFA (US \$3.6 million) for 4 investment projects. The amount guaranteed by DCA is 50 percent, or 913 million FCFA. The current rate of absorption of the program is 61 percent. As a result companies were able to invest 7.1 billion FCFA (US \$14.2 million) in Mali; a leverage factor of nearly 8 (for each dollar DCA guaranteed, Mali benefited 8 dollars in investment). Annex 4, DCA Program in Mali, presents detailed information on this accomplishment.

Looking at another parameter, the cost paid by the mission, USAID/Mali was able to leverage its budget significantly through the DCA guarantee program. As seen in the table below, for each US\$1 the mission paid in DCA subsidy cost, US \$12 were extended as loans by private sector financial institutions. Remembering that this achievement is on a utilization rate of 61 percent, we can expect very good leverage figures when the DCA program is complete.

TABLE OF LEVERAGE			
# OF LOANS	VALUE OF LOANS	SUBSIDY COST PAID BY MISSION	BUDGET LEVERAGE
4	\$3.6 million	\$300,000	12: 1 12 private sector dollars invested for each USAID dollar

This good leverage ratio is partly due to our banking partner, BICIM, an important international bank that has the upper market (large business) client base. This client base has money to invest, good stable revenue to reduce credit risks, and experience in Mali. They invest in companies that are in operation, expanding their products, and consequently, BICIM is able to accompany them in their growth phases. The combination of good and experienced clients with good and profitable investment opportunities are two of the most important factors that explain why BICIM agrees to lend in the tough Malian environment.

USAID/Mali can be proud of the DCA program. It may have had a slow start, but is now in full swing and is being used to leverage solid investments in Mali; indeed, no company could get a loan absent the DCA. That said, BICIM's current "monopoly" over the DCA could result in its becoming lax; DCA renewal in Mali should include BICIM competitors, such as the BNDA, to ensure the continued development of a vibrant financial sector.

3.5 Microfinance in Northern Mali

Throughout the four years of the project, Mali Finance focused its northern Mali activities on increasing outreach and expanding access to financial services in the poorer regions of Tombouctou, Mopti, Gao and Kidal. As Mali Finance ends, we have accomplished many baseline tasks. However, the first five years of an MFI are critical: much remains to ensure these microfinance institutions become sustainable.

DOUREY TOMBOUCTOU ASSOCIATION (DOT)

Despite encouraging initial results, difficulties remain to ensure the viability and the sustainability of the DOT. We estimate that to support the corrective actions already in process, the search for and collaboration with new technical and financial partners in the area of Tombouctou will be crucial over the next three years. .

As Mali Finance's DOT consultant ends his assignment, concerns remain over the continued need to cleanse the loan portfolio of arrears. DOT is attempting to recover loans in default via the legal system, which is often not respected by elected officials or the village elder committees, increasing the difficulty of the DOT's task

In April 2007, the government suggested that the Jigiyaso Ba explore the possibility of partnering/merging with DOT. We support this initiative as the most realistic, least expensive, and most sustainable long-term solution for the DOT. It is also likely to have the greatest impact on poverty in the Tombouctou region.

WOURI SAVINGS BANK AND CREDIT OF ANSONGO

Wouri Savings Bank and Credit of Ansongo currently enjoys certain advantages that should allow it to benefit in the medium term. These include: the absence of MFI competition in Ansongo; a geographic location that links Gao to the Niger border through Ansongo and Labezanga; increased interest in financial services among the population; proficient staff who were trained by Mali Finance; and increasing control over the CSV credit product that holds real promise in Ansongo and the surrounding area.

Obstacles remain, such as finding a suitable headquarters location. The savings and loan cannot fully utilize data processing equipment due to intermittent energy supply. Professional training for the leadership and technical staff should continue to maintain and improve knowledge levels within the branch.

WOURI SAVINGS AND LOAN BRANCH OF GAO

Located on an important trade route between Mali, Niger, Nigeria, and Burkina Faso, exceptional opportunities exist to guarantee the viability and sustainability of the Wouri Savings and Loan Branch of Gao. There is increasing interest in this branch among the citizens of Gao, in particular among civil servants who are taking increasing advantage of offered services. There is no MFI competition, and Mali Finance specialists have adequately trained staff at this branch.

Still, the branch must attract more members to ensure it turns a profit. The branch is currently in the process of finalizing its five-year business plan, aimed at medium term sustainability. Furthermore, additional training in administration, management, and leadership — particularly with regard to good governance — is necessary. Additional training of technical staff would maintain and improve the level of professionalism of the branch.

ADAGH FINANCE IN KIDAL

Similar to its fellow Wouri savings and loan branches, the Kidal branch has good prospects for viability and sustainability. The Kidal office has benefited from increasing interest among citizens, especially civil servants. Located on an important trade route between Mali, Algeria,

Niger, and Mauritania, there is high potential for growth from commercial trade in this area. Mali Finance specialists have adequately trained branch staff. There is an absence of MFI competition, and the support of other partners gives Adagh Finance a key leg up.

Nevertheless, some potential problems lurk in the quality of this MFI's governance structure. Clearly, good governance is a critical factor in the potential for viability of Adagh Finance in the medium term; consequently, good governance training for the staff is of the utmost importance. Technical training continues to improve the level of professionalism at this branch.

GENERAL CONCLUSION ON MFI BRANCHES OF NORTHERN MALI

After years of technical and financial assistance to the MFIs of northern Mali, Mali Finance has established the entire infrastructure necessary to ensure medium term viability and sustainability. It is now fitting to consider the development of realistic business plans and to establish administrative bases to bring the three branches together for an analysis of the technical stages necessary to install a network. Funding from Luxembourg Cooperation and the BMS are positive examples of the willingness of partners to assist these nascent microfinance institutions.

The CPA/SFD and the CCS/SFD are likewise engaged in the development of branches in the north. In fact, their involvement at the national level is important to develop the north not only for the microfinance sector generally, but to make financial services available in remote areas in particular. This work challenges all the actors involved in Mali's development.

ANNEX 1: SUMMARY OF PERFORMANCE

INDICATOR	2004 RESULT	2005 RESULT	2006 RESULT	2007 ACHIEVEMENT	CUMULATIVE ACHIEVEMENT	2007 TARGET (CUM)	% ACHIEVED	OBSERVATIONS
Ind. 3a - Number of loans provided to agro-entrepreneurs through banks (2003 baseline=0)	9	8	40	47	104	95	109 %	Due to the efforts of our BDS partners and NGOs, we achieved our cumulative 2007 target. On 47 loans of Year 4, 21 loans are from PRODEPAM sites. This is showing our good consolidated work plan achievement.
Ind. 3b - Number of loans provided to entrepreneurs accessing credit through MFIs (2003 baseline=0)	203	589	428	844	2064	1647	125 %	These results reflect a good use of our training by the credit field agent of our MF partners. Results include income-generating activities medium-term credit and TradeMali related products.
Ind. 3.1.a Amount of loans for selected commodities in thousand of FCFA (2003 baseline=0)	197	472	2004	1798	4651	3260	143 %	On the 4.6 billions cfa, 2.4 billion cfa are from major investment deals (some with DCA), 1.5 billion FCFA is through partner MFIs, and the other banking loans were achieved through our NGOs.
Ind. 3.1.b Loan repayment rates for selected commodities (2003 baseline=100%)	100%	72%	93%	91 %	91 %	95 %	96 %	Loans repayment rate is mostly affected by Tamak SA, which was prepared under the previous USAID project. Without Tamak, the rate would be 97 %, in line with target.
Ind. 3.2.a - Capacity of the GRM to promote investment opportunities	new indicator		Milestone 1 at 100 % Milestone 2 at 45 %	Milestone 1 at 100 % Milestone 2 at 100 % Milestone 3 at 20 %	100 % 100 % 15 %	Milestone 1 at 100%= 25% Milestone 2 at 100%= 35% Milestone 3 at 100%=40%	66 %	The 85% of Milestone 3 activities needed the CEO of the IPA in place. At the date of this report, the CEO is still in negotiation between the GRM and the Source Growth World Bank project, which will pay for his salary. Achieved 100 % of activities under our control.
Ind. 3.2.b - Number of individuals trained in business development services (2003 baseline=0)	240	704	764	597	2305	2075	111 %	Training is an essential part to strengthen agro-entrepreneurs. Indirect training activities provided through BDS partners paid off. They represented 40% of the achievement.

ANNEX 2: YEAR 4 BREAKDOWN BY REGION/PERFORMANCE

IND. 3.A – DISAGGREGATED NUMBER OF LOANS PROVIDED TO AGRO-ENTREPRENEURS ACCESSING CREDIT THROUGH BANKS				
BDS partner	Loans to women	Loans to men	Loans to groups	Regional breakdown
ACOD	1	-	2	Sikasso
G Force		1	-	Segou – ORN
Nyeta Conseil	1	4	9	Segou – ON
SABA	-	-	11	Mopti
Amrad	-	-	13	Tombouctou
Afar	-	-	2	Gao
Others	-	3	-	Bamako District

IND. 3.B – DISAGGREGATED NUMBER OF LOANS PROVIDED TO ENTREPRENEURS ACCESSING CREDIT THROUGH MFIS				
MFI network	Number of loans (2007)	Loans to women	Loans to men	Regional breakdown
Nyèsigiso	119	70 = 59 %	49 = 41%	Segou 31, Timbuktu 33, Bamako 55
Kafo Jiginew	571	298 = 52 %	273 = 48%	Sikasso 313, Koulikoro 258
Nayral Nef Mopti	17	17 = 100 %	0 = 0 %	Mopti 17
Kondo Jigima	30	30 = 100 %	0 = 0 %	Mopti 9, Segou 21,
Adagh Finance Kidal	27	11 = 42 %	16 = 59 %	Kidal 27
Wouri Ansongo	54	8 = 15 %	46 = 85 %	Gao (Ansongo) 54
Wouri Gao	26	11 = 42 %	15 = 58 %	Gao (Gao) 26
Total	844	445 = 53%	399 = 47 %	

IND. 3.2.B – DISAGGREGATED NUMBER OF INDIVIDUALS TRAINED IN BUSINESS DEVELOPMENT SERVICES IN TARGETED AREAS		
	2007 actual	Regional breakdown
# of individuals trained directly	349 (36%♀)	Bamako 116, Sikasso 82, Segou 17, Mopti 94, Gao 40
# of individuals trained indirectly	248 (48% ♀)	Bamako 115, Sikasso 56, Mopti 77
Total	597	

IND. 3.A - NUMBER & AMOUNT OF LOANS PROVIDED TO AGRO-ENTREPRENEURS ACCESSING CREDIT THROUGH BANKS IN TARGETED AREAS IN CFA																
Type	Bamako		Sikasso		Segou		Mopti		Tombouctou		Gao and Kidal		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	-	-	-	-	5	25,000,000	-	-	-	-	-	-	5	11%	25,000,000	3%
Women	-	-	1	4,500,000	1	5,000,000	-	-	-	-	-	-	2	4%	9,500,000	1%
Groups/Cies	-	-	2	11,000,000	9	52,600,000	11	26,500,000	13	41,422,075	2	6,404,125	37	79%	137,926,200	16%
DCA program	2	590,000,000	-	-	-	-	-	-	-	-	-	-	2	4%	590,000,000	67%
ADF	1	121,000,000	-	-	-	-	-	-	-	-	-	-	1	2%	121,000,000	14%
Total	3	711,000,000	3	15,500,000	15	82,600,000	11	26,500,000	13	41,422,075	2	6,404,125	47	100%	883,426,200	100%

IND. 3.A - NUMBER & AMOUNT OF LOANS PROVIDED TO AGRO-ENTREPRENEURS ACCESSING CREDIT THROUGH BANKS IN TARGETED AREAS IN \$ US																
Type	Bamako		Sikasso		Segou		Mopti		Tombouctou		Gao and Kidal		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	-	-	-	-	5	52,632	-	-	-	-	-	-	5	11%	52,632	3%
Women	-	-	1	9,474	1	10,526	-	-	-	-	-	-	2	4%	20,000	1%
Groups/Cies	-	-	2	23,158	9	110,737	11	55,789	13	87,204	2	13,482	37	79%	290,371	16%
DCA program	2	1,242,105	-	-	-	-	-	-	-	-	-	-	2	4%	1,242,105	67%
ADF	1	254,737	-	-	-	-	-	-	-	-	-	-	1	2%	254,737	14%
Total	3	1,496,842	3	32,632	15	173,895	11	55,789	13	87,204	2	13,482	47	100%	1,859,845	100%

IND. 3.B – NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS ACCESSING CREDIT THROUGH MICROFINANCE INSTITUTIONS IN TARGETED AREAS IN CFA

Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%		
Men	31	179,250,000	100	156,716,506	183	208,151,250					77	26,552,785	391	46%	570,670,541	62%
Women	24	85,150,000	200	83,606,000	104	30,823,750	17	67,075,000			27	4,441,615	372	44%	271,096,365	30%
CSV groups			8	3,744,485	15	17,868,550	9	6,869,800	36	23,543,200	3	1,221,660	71	8%	53,247,695	6%
Rice trader women groups					5	10,000,000	4	8,000,000	1	1,200,000			10	1%	19,200,000	2%
Total	55	264,400,000	308	244,066,991	307	266,843,550	30	81,944,800	37	24,743,200	107	32,216,060	844	100%	914,214,601	100%

IND. 3.B – NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS ACCESSING CREDIT THROUGH MICROFINANCE INSTITUTIONS IN TARGETED AREAS IN CFA

Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%		
Men	31	377,368	100	329,929	183	438,213					77	55,901	391	46%	1,201,412	62%
Women	24	179,263	200	176,013	104	64,892	17	141,211			27	9,351	372	44%	570,729	30%
CSV groups			8	7,887	15	37,652	9	14,463	36	49,257	3	2,572	71	8%	112,100	6%
Rice trader women groups					5	21,053	4	16,842	1	2,526			10	1%	40,421	2%
Total	55	556,632	308	513,825	307	561,776	30	172,515	37	52,091	107	67,823	844	100%	1,924,662	100%

**IND. 3.A AND 3.B COMBINED:
NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS IN TARGETED AREAS IN CFA**

Type of Borrower	Bamako		S kasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	31	179,250,000	100	156,716,506	188	233,151,250					77	26,552,785	396	44%	595,670,541	33%
Women	24	85,150,000	201	88,106,000	105	35,823,750	17	67,075,000			27	4,441,615	374	42%	280,596,365	16%
CSV groups	–	–	8	3,744,485	15	17,868,550	9	6,869,800	36	23,543,200	3	1,221,660	71	8%	53,247,695	3%
Rice trader women groups	–	–	–	–	5	10,000,000	4	8,000,000	1	1,200,000	–	–	10	1%	19,200,000	1%
Groups/Cies	–	–	2	11,000,000	9	52,600,000	11	26,500,000	13	41,422,075	2	6,404,125	37	4%	137,926,200	8%
DCA program	2	590,000,000	–	–	–	–	–	–	–	–	–	–	2	0.1%	590,000,000	33%
ADF	1	121,000,000	–	–	–	–	–	–	–	–	–	–	1	0.1%	121,000,000	7%
Total	58	975,400,000	311	259,566,991	322	349,459,550	41	108,444,800	50	66,165,275	109	38,620,185	891	100%	1,797,640,801	100%

**IND. 3.A AND 3.B COMBINED:
NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS IN TARGETED AREAS IN \$ US**

Type of Borrower	Bamako		S kasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	31	377,368	100	329,929	188	490,845					77	55,901	396	44%	1,254,043	33%
Women	24	179,263	201	185,486	105	75,418	17	141,211			27	9,351	374	42%	590,729	16%
CSV groups			8	7,883	15	37,618	9	14,463	36	49,565	3	2,572	71	8%	112,100	3%
Rice trader women groups	–	–	–	–	5	21,053	4	16,842	1	2,526	–	–	10	1%	40,421	1%
Groups/Cies	–	–	2	23,158	9	110,737	11	55,789	13	87,204	2	13,482	37	4%	290,371	8%
DCA program	2	1,242,105	–	–	–	–	–	–	–	–	–	–	2	0.1%	1,242,105	33%
ADF	1	254,737	–	–	–	–	–	–	–	–	–	–	1	0.1%	254,737	7%
Total	58	2,053,474	311	546,457	322	735,671	41	228,305	50	139,295	109	81,306	891	100%	3,784,507	100%

ANNEX 3: CUMULATIVE YEARS 1 - 4 BREAKDOWN BY REGION/PERFORMANCE

IND. 3.A – CUMULATIVE YEAR 1 – 4 NUMBER & AMOUNT OF LOANS PROVIDED TO AGRO-ENTREPRENEURS ACCESSING CREDIT THROUGH BANKS IN TARGETED AREAS IN CFA														
Type	Bamako		Sikasso		Segou		Mopti		Tombouctou		Gao and Kidal		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%
Men	–	–	–	–	10	53,420,000	–	–	–	–	–	–	10	11%
Women	–	–	4	23,500,000	2	10,000,000	–	–	–	–	–	–	6	6%
Groups/Cies	–	–	22	144,904,750	23	252,119,100	12	30,831,250	13	41,422,075	2	6,404,125	72	76%
DCA program	4	930,000,000	–	–	–	–	–	–	–	–	–	–	4	4%
ADF	1	121,000,000	–	–	–	–	–	–	–	–	–	–	1	1%
Others	2	1,340,000,000	–	–	–	–	–	–	–	–	–	–	2	2%
Total	7	2,391,000,000	26	168,404,750	35	315,539,100	12	30,831,250	13	41,422,075	2	6,404,125	95	100%

IND. 3.A – CUMULATIVE YEAR 1 – 4 NUMBER & AMOUNT OF LOANS PROVIDED TO AGRO-ENTREPRENEURS ACCESSING CREDIT THROUGH BANKS IN TARGETED AREAS IN \$ US														
Type	Bamako		Sikasso		Segou		Mopti		Tombouctou		Gao and Kidal		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%
Men	–	–	–	–	10	112,463	–	–	–	–	–	–	10	11%
Women	–	–	4	49,474	2	21,053	–	–	–	–	–	–	6	6%
Groups/Cies	–	–	22	305,063	23	530,777	12	64,908	13	87,204	2	13,482	72	76%
DCA program	4	1,957,895	–	–	–	–	–	–	–	–	–	–	4	4%
ADF	1	254,737	–	–	–	–	–	–	–	–	–	–	1	1%
Others	2	2,821,053	–	–	–	–	–	–	–	–	–	–	2	2%
Total	7	5,033,684	26	354,536	35	664,293	12	55,789	13	87,204	2	13,482	95	100%

**IND. 3.B – CUMULATIVE YEAR 1 – 4: NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS
ACCESSING CREDIT THROUGH MICROFINANCE INSTITUTIONS IN TARGETED AREAS IN CFA**

Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	59	281,400,000	230	211,416,506	191	235,551,250	–	–	63	5,214,508	86	29,302,785	629	48%	762,885,049	50%
Women	39	170,650,000	272	111,641,000	105	31,823,750	17	67,075,000	32	7,086,362	35	6,041,615	500	38%	394,317,727	26%
CSV groups	–	–	13	7,799,985	47	175,031,230	28	17,110,900	68	47,619,225	4	1,442,160	160	12%	249,003,500	16%
Rice trader women groups	–	–	1	7,786,000	7	16,500,000	6	11,250,000	1	1,200,000	–	–	15	1%	36,736,000	2%
Potato Groups	–	–	5	73,878,000	–	–	–	–	–	–	–	–	5	0.4%	73,878,000	5%
Total	98	452,050,000	521	412,521,4916	350	458,906,230	51	95,435,900	164	61,120,095	125	36,786,560	1309	100%	1,516,820,276	100%

**IND. 3.B – CUMULATIVE YEAR 1 – 4 : NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS
ACCESSING CREDIT THROUGH MICROFINANCE INSTITUTIONS IN TARGETED AREAS IN \$US**

Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	59	592,421	230	445,087	191	495,897	–	–	63	10,978	86	61,690	629	48%	1,606,074	50%
Women	39	359,263	272	235,034	105	66,997	17	141,211	32	14,919	35	12,719	500	38%	830,143	26%
CSV groups	–	–	13	16,421	47	368,487	28	36,023	68	100,251	4	3,036	160	12%	524,218	16%
Rice trader women groups	–	–	1	16,392	7	34,737	6	23,684	1	2,526	–	–	15	1%	523,948	2%
Potato Groups	–	–	5	155,533	–	–	–	–	–	–	–	–	5	0.4%	155,533	5%
Total	98	951,684	521	868,466	350	966,118	51	200,918	164	128,674	125	77,445	1309	100%	3,193,306	100%

**IND. 3.A AND 3.B CUMULATIVE YEAR 1 – 4 COMBINED:
NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS IN TARGETED AREAS IN CFA**

Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	59	281,400,000	230	211,416,506	201	288,971,250	–	–	63	5,214,508	86	29,302,785	639	46%	816,305,049	18%
Women	39	170,650,000	276	135,141,000	107	41,823,750	17	67,075,000	32	7,086,362	35	6,041,615	506	36%	427,817,727	10%
Groups/CSV/Cies	–	–	35	152,704,735	71	434,936,330	47	64,442,150	87	100,291,300	7	9,046,285	247	18%	761,420,800	17%
DCA program	4	930,000,000	–	–	–	–	–	–	–	–	–	–	4	0%	930,000,000	21%
ADF	1	121,000,000	–	–	–	–	–	–	–	–	–	–	1	0%	121,000,000	3%
Others	2	1,340,000,000	5	73,878,000	–	–	–	–	–	–	–	–	7	0%	1,413,878,000	32%
Total	105	2,843,050,000	546	573,140,241	379	765,731,330	64	131,517,150	182	112,592,170	128	44,390,685	1404	100%	4,470,421,576	100%

**IND. 3.A AND 3.B CUMULATIVE YEAR 1 – 4 COMBINED:
NUMBER & AMOUNT OF LOANS PROVIDED TO ENTREPRENEURS IN TARGETED AREAS IN \$US**

Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	59	592,421	230	445,087	201	608,361	–	–	63	10,978	86	61,690	639	46%	1,718,537	18%
Women	39	359,263	276	284,507	107	88,050	17	141,211	32	14,919	35	12,719	506	36%	900,669	10%
Groups/CSV/Cies	–	–	35	321,484	71	915,655	47	135,668	87	211,140	7	19,045	247	18%	1,602,991	17%
DCA program	4	1,957,895	–	–	–	–	–	–	–	–	–	–	4	0%	1,957,895	21%
ADF	1	254,737	–	–	–	–	–	–	–	–	–	–	1	0%	254,737	3%
Others	2	8,821,053	5	155,553	–	–	–	–	–	–	–	–	7	0%	2,976,585	32%
Total	105	5,985,368	546	1,051,078	379	1,612,066	64	276,878	182	237,036	128	93,454	1404	100%	9,411,414	100%

IND. 3.A – CUM. DISAGGREGATED NUMBER OF LOANS PROVIDED TO AGRO-ENTREPRENEURS ACCESSING CREDIT THROUGH BANKS

BDS partner	Loans to women	Loans to men	Loans to groups	Regional breakdown
ACOD	5	0	29	Sikasso
G Force		1		Segou – ORN
Nyeta Conseil	2	9	23	Segou – ON
SABA	-	-	12	Mopti
Amrad	-	-	13	Tombouctou
Afar	1	-	2	Gao
Others	3	4		Bamako District

IND. 3.B – CUM. DISAGGREGATED NUMBER OF LOANS PROVIDED TO ENTREPRENEURS ACCESSING CREDIT THROUGH MFIS

MFI network	Number of loans (2005-2006-2007)	Loans to women	Loans to men	Regional breakdown
Nyèsigiso	304	102 = 34 %	202 = 66 %	Segou 119, Timbuktu 62, Bamako 123
Kafo Jiginew	1087	494 = 46 %	593 = 44 %	Sikasso 786, Koulikoro 301
Nayral Nef Mopti	57	51 = 89 %	6 = 11 %	Mopti 57
FCRMD	7		7 = 100 %	Segou 7
Kondo Jigima	47	34 = %	13 = %	Mopti 19, Segou 28
DOT	236	144 = 61%	92 = 39%	Timbuktu 236
Adagh Finance Kidal	44	18 = 41 %	26 = 59 %	Kidal 44
Wouri Ansongo	55	8 = 15 %	47 = 85 %	Gao (Ansongo) 55
Wouri Gao	26	11 = 42 %	15 = 58 %	Gao (Gao) 26
Total	1861	860 = 47 %	1001 = 53 %	

IND. 3.2.B – CUM. DISAGGREGATED NUMBER OF INDIVIDUALS TRAINED IN BUSINESS DEVELOPMENT SERVICES

	2007 cum.*	Regional breakdown
# of individuals trained directly	1120 (31%♀)	Bamako 324, Sikasso 169, Segou 175, Mopti 219, Timbuktu 32, Gao 158, Kidal 43
# of individuals trained indirectly	945 (48% ♀)	Bamako 375, Sikasso 173, Timbuktu 73, Mopti 245, Kayes 14, Gao 40, Kidal 25
Total	2065 (38% ♀)	

* Nb. Cumulative number, without the first year, where regional breakdown wasn't done.

ANNEX 4: DCA PROGRAM IN MALI

Company	Description of project	Total Project Cost (\$'000')	Total Loans to Banks (\$'000')	Loan to BICIM (\$'000')	Loan under DCA (\$'000')	DCA Guarantee (\$'000')	Commentaries
TAMAK S.A.	Tannery	1,350	610	380	380	190	The project was financed by the BICIM in 2003. Because of a slow start and poor management, BICIM put this loan into collection due to arrears.
SIGAZ S.A.	Diversification of production toward agriculture, now composed of bottled medical gas.	1,800	300	300	300	150	Diversification toward agriculture with gas torch to burn bad weeds in the rice perimeters canals and bottled butanes gas in the rural areas to improve the revenues of farmers by transforming some agricultural products in a dried format. Environment friendly project. The BICIM approved the financing of the file in 2 006. Funds have been disbursed and the business is expanding.
Grands Moulin du Mali S.A.	Development of a Livestock feed animal plant	3,218	2,000	2,000	600	300	The BICIM approved the financing in 2006. Sales doubled in less than five years. This company received a grant of \$300,000 from USDA to complete the feasibility study.
Avifarm S.A.	Production of one day old chicks	697	545	545	545	272.5	BICIM approved the financing in 2005. Due to avian flu, the company delayed the expansion project. In 2007, as the avian flu situation is under controled in West Africa, the entrepreneur and BICIM re open the request of loan. BIO, the Belgium Development Bank financed 50 % of the total cost of the project.
Disbursed Loans		Totals:	7,065	3,455	3,225	1,825	913
		Multiplicator Effect:	7.7			Percentage Use of DCA	60.8%
Textile file		6,000	2,000	600	600	300	New file under evaluation by BICIM. Le dossier est en intruction au niveau du service commercial
Actual and Potential Loans		Totals:	13,065	5,455	3,825	2,425	1,213
		Multiplicator Effect:	10.8			Percentage Use of DCA	80.8%
Tota Project Cost / DCA Guarantee							

ANNEX 5: OPIN IEHA INDICATORS

Mali Finance OPIN FY 2007 results		Achieved FY 05	Achieved FY 06	Achieved FY 07	Target FY 07	% Achieved FY 07
Beneficiaries						
OPIN-1	Number of rural households benefiting directly from interventions	589	428	836	721	116%
OPIN-2	Number of vulnerable households benefiting directly from interventions	181	137	124	68	182%
OPIN-3	Number of agricultural-related firms benefiting directly from interventions	12	40	47	33	142%
Training						
OPIN-4	Male attendance in training	402	502	438	327	134%
OPIN-5	Female attendance in training	302	262	138	218	63%
Organizations						
OPIN-6	Number of producer organizations, water user associations, trade and business associations and CBOs assisted (We do not count all finance to CSV, as Trade do it)	8	37	36	24	150%
OPIN-7	Number of women's organizations/associations assisted (5 rice producers groups + 10 rice traders groups)	0	8	15	15	100%
Partnerships						
OPIN-8	Number of public-private partnerships formed (No new partnerships formed)	6	7	0	2	0%
Technologies						
OPIN-9	Number of technologies made available for transfer (No new technologies transferred)	3	1	0	1	0%

ANNEX 6: TRAINET NUMBERS FOR YEAR 4

Program Name	Program Location	Start Date	End Date	Males	Females	Total Participants
ComptEx a Gao	IC	8/6/2007	8/24/2007	21	3	24
Micro plan adapte Gao	IC	2/24/2007	2/28/2007	15	5	20
ComptEx a Sevare	IC	2/20/2007	2/24/2007	26	5	31
Esprit et gestion d'entreprise et Etude de faisabilite simplifiee	IC	2/7/2007	2/15/2007	8	7	15
Micro plan adapte Sikasso	IC	1/23/2007	1/26/2007	0	19	19
Esprit et gestion d'entreprise Banankoro	IC	12/21/2006	12/23/2006	0	20	20
ComptEx a Sevare	IC	12/18/2006	12/23/2006	12	1	13
Micro plan adapte Niono	IC	12/19/2006	12/22/2006	17	1	18
ComptEx a Sikasso	IC	11/20/2006	11/24/2006	22	1	23
ComptEx a Sikasso	IC	11/14/2006	11/17/2006	20	1	21
Micro plan adapte Sofara	IC	11/14/2006	11/17/2006	18	1	19
Micro plan adapte Konan	IC	11/14/2006	11/17/2006	20	5	25
Formation a l'outil de suivi post financement (SPF)	IC	10/30/2006	11/1/2006	17	2	19
ComptEx a Niono	IC	8/14/2006	8/18/2006	8	3	11
Micro plan adapte Ansongo	IC	8/16/2006	8/19/2006	13	5	18
Analyse financiere des credits a moyen terme Gao	IC	8/15/2006	8/17/2006	13	1	14
Analyse financiere des credits a moyen terme Niono	IC	8/8/2006	8/10/2006	11	2	13
ComptEx a Niono	IC	7/29/2006	8/2/2006	7	1	8
Micro plan adapte Gao	IC	6/20/2006	6/29/2006	12	5	17
ComptEx a Kidal	IC	6/26/2006	6/30/2006	10	5	15
Micro plan adapte Youwarou	IC	5/26/2006	6/2/2006	1	1	2
Etude de faisabilite simplifie a Satinebougou	IC	12/18/2006	12/20/2006	0	0	0
Total				271	94	365
Percentage				74.25%	25.75%	

ANNEX 7: POST-FINANCING MONITORING TOOL EXAMPLE

Fiche d'Analyse Suivi Post-Investissement		Tendances (++, +, =, -, --)	Commentaires
A. Tendances au regard des prévisions, des attentes			
Exploitation			
	Le niveau d'activité (activité, production) est-il conforme ?		
	Le niveau des ventes est-il conforme ?		
	Le niveau des achats (matières premières et intermédiaires...) est-il conforme ?		
	Le niveau des charges de personnel est-il conforme ?		
Patrimoine			
	Le niveau des achats en équipements est-il conforme ?		
	Les niveaux des stocks de matières et produits intermédiaire sont-ils conformes ?		
	Les niveaux des stocks de produits finis et marchandises à vendre sont-ils conformes ?		
	Les niveaux des crédits aux clients sont-ils conformes ?		
	Le niveau d'endettement (emprunts, crédits) est-il conforme ?		
	Le niveau des apports et des retraits de l'exploitant est-il conforme ?		
B. Analyse des comportements et des décisions			
	Le niveau d'organisation des activités est-il suffisant (production, achats, ventes, sous traitance..) ?		
	Le niveau d'organisation administrative est-il suffisant (administratif, gestion,..) ?		
	Les achats (équipements, matières, marchandises) se font-ils conformément aux prévisions ?		
	La qualité des biens et équipements achetés est-elle conforme aux prévisions ?		
	Y a-t-il un souci d'anticipation et de maîtrise des charges ?		
	Y a-t-il un souci de respect des engagements (remboursements, objet du crédit, activités, associés ...) ?		
	Y a-t-il un souci de respect de normes (qualité, techniques de production, entretien, délais...) ?		
C. Positionnement de l'entreprise			
	Positionnement par rapport aux concurrents (prix, quantités, qualité, technologie, achats...) est-il bon		
	Positionnement sur le marché (produits en vente, clientèle visée, réseau de distribution...) est-il bon ?		

ANNEX 8: IMPACT OF ACTIVITIES ON AGRO-ENTREPRENEURS

MALI FINANCE IMPACTS ON THE BUSINESS OF MR. BOUREIMA OUEDGRAOGO



Mr. Boureima Ouedraogo is an agro-entrepreneur, participating in rice trading in his hometown of Segou. His market supply comes from the Office du Niger area. Mr. Ouedraogo attended an adapted “Spirit of Business Management” (EGE) training and received assistance and counsel in his search and achievement of financing for his rice trading activities.

Before the program assistance of Mali Finance, Ouedraogo’s business employed two employees. Its annual marketing capacity was 30 tons. This production was sold only on the market of Segou and Bamako. The business carried out an annual sales turnover of approximately 6,000,000 fcfa. The recording of purchases and expenditures was non-existent. The enterprise didn’t have any partnership with financial institutions.

The company suffered from organizational difficulties. Accounting did not exist and it had not implemented a marketing strategy to promote its rice and increase its sales. The company also had difficulties registering and saving its receipts from sales to customers in Bamako.

The company was first diagnosed and then assisted in their search for 2,000,000 fcfa in financing through the creation and use of a comprehensive business plan. The 2 million fcfa in financing accompanied by Mali Finance’s adapted “Spirit of Business Management” training module produced positive results on Ouedraogo’s company as shown by the progress recorded by the company’s qualitative as well as quantitative results.

Qualitative changes have been implemented in the company’s organizational work plan by the use of management tools. The financial transactions between the company and its customers in Bamako now take place via credit transfers. This operation generated a security of funds and reduced expenditures. A marketing strategy was implemented by the company to promote rice sales. Conformity with the accounting system was also implemented. Finally, the company now has a new business relationship with a financial institution which leaves room for future growth.

Qualitative changes include an increase in employees from 2 to 5.

The amount traded increased from 30 to 108 tons for an increase of 260% thanks to a loan of 2 million fcfa.

The annual sales turnover increased from 6,000,000 fcfa to 24,300,000 fcfa for an increase of 305%.

MALI FINANCE’S IMPACTS ON THE CESIRITON ASSOCIATION OF KIRANGO MARKALA



The association Cesiriton of Markala is a multipurpose women’s association which partakes in gardening activities, food processing, and cereal grain trading. They were assisted in the search for financing of their cereal grain trading activities. The association benefited from the adapted training in “The Spirit of Business Management” (EGE).

Before its program assistance from Mali Finance, Cesiriton counted 30 women in its association. Its annual marketing capacity was 6 tons. Its product was sold on the Markala market. It carried out an annual sales turnover of approximately 1,200,000 fcfa. Expenditure and purchase recording was previously non-existent.

At the same time, the association suffered from administrative and organizational difficulties. Accounting did not exist and it had not implemented a marketing strategy to promote its rice and increase its sales.

The company was diagnosed then assisted in the search for financing of 1,000,000 fcfa through the development of a comprehensive business plan. 1,000,000 fcfa in financing was obtained and the “Spirit of Business Management” produced positive results on the Cesiriton Association. These results are testified by qualitative as well as quantitative progress.

Qualitative changes have been implemented in the company’s organizational work plan by the installation of structural improvements and a functional management board, and defining the tasks, roles and responsibilities of the members. A marketing strategy for rice promotion was implemented by the organization.

The accounting and management tools were installed.

Notable **quantitative changes** were recorded:

The number of members increased from 30 to 38

The production went from 6 tons to 34.4 tons, which is an increase of 473% thanks to the acquisition of a loan of 1,000,000 fcfa. The annual sales turnover increases from 1,200,000 fcfa to 7,396,000 fcfa, representing an increase of 516%.

MALI FINANCE IMPACTS ON THE WOMEN RICE TRADERS ASSOCIATION OF NIENA



The women's rice trading association of Niena is a women's organization composed of 12 groups of women. The women of this Association attended Mali Finance's "Adapted Micro Plan" training. Before this training, only 48 women in the association had participated in the "Food Storage for Credit" program with the support of TradeMali.

The volume of rice stocked and traded by the association on a yearly basis averaged 6 tons with an annual sales turnover of 450,000 fcfa. The sales were only made on the local market of Niena.

The association also previously suffered from administrative and organizational difficulties. There were no marketing strategies for the promotion of rice outside of the Niena commune borders.

Mali Finance's Adapted Micro Plan training produced positive impacts on the "Women's Rice Trading Association of Niena" as shown by the qualitative and quantitative progress recorded by the association.

Qualitative changes were implemented by the association on the marketing plan. The association now markets its rice outside the commune of Niena. This new approach has increased the association's clientele in the Sikasso area. The sales the women rice traders have made in Sikasso have reached 250,000 fcfa for a total volume of 1,900Kg of rice.

In terms of collective funds management, an internal control strategy has been enacted with the strengthening of power of the association's surveillance committee.

Management documents have been made obligatory.

Any funds exiting the association must now be approved by two signatures, those of the president and the treasurer.

The notable **quantitative changes** include:

The number of active association members has increased from 48 to 174 women. The volume of rice stocked for trade has increased from 6 tons to 22 tons.

The annual sales turnover has increased from 450,000 fcfa to 1,540,000 fcfa.

MALI FINANCE IMPACTS ON BENKADY OF FARAKO



The Benkady farming organization of Farako is a women's rice trading organization. The women of this organization attended the "Adapted Micro Plan" training module.

Before attending Mali Finance training, Benkady was an organization of only 7 women. Its annual production was 5.6 tons. This production was sold on the Farako market. They threshed rice predominantly by hand with mortars and pestles. The organization had only achieved an annual sales turnover of about 800,000 fcfa. They had never recorded expenses and purchases. The association had previously suffered from administrative and organizational difficulties. Accounting practices were nonexistent and a marketing strategy attempting to promote its rice and increase sales had not been implemented.

The qualitative and quantitative results recently shown by the Benkady organization are a testament to the success of the "Adapted Micro Plan" training offered by Mali Finance.

Qualitative changes have been implemented in the organization of work by the implementation of a well structured management committee which defines member tasks, roles and responsibilities. In administration, the association now has a fixed protocol for managing sales and receipts.

A rice promotion marketing strategy was started by the organization.

An accounting system was installed in order to be capable of releasing periodical account status reports.

Quantitative changes include the following:

The number of members has increased from 7 to 20.

The production has increased from 5.6 to 27 tons for an increase of 382% thanks to the acquisition of a thresher.

The sales turnover has increased from 800,000 fcfa to 4,800,000 fcfa, for an increase of 500%.

MALI FINANCE IMPACTS ON THE “FOKABEN” WOMEN’S ASSOCIATION IN LOUTANA



The women’s association, Fokaben, of Loutana produces and markets rice in partnership with TradeMali. The women of this association benefited from the training module “Adapted Micro Plan” of Mali Finance. Before this training, only 35 women had participated in the TradeMali supported “Food Storage for Credit” program. The volume of rice stored and marketed by the association was approximately 8.6 tons of rice with a sales turnover of 457,000 fcfa. The sales took place on the local market of Klela.

The association suffered from lack of confidence in its activities due to administrative and organizational difficulties. It did not have any marketing strategies for the promotion of its rice in the commune of Niéna. Moreover, it did not have an internal strategy of mobilization of internal resources. Mali Finance’s “Adapted Micro Plan” training produced positive impacts on the women’s Association Fokaben of Loutana as evidenced by the progress recorded by the association at the qualitative as well as quantitative level.

Qualitative changes were made in the organizational work plan by the restoration of a monthly membership fee of 500 fcfa. 10% of the net profit of the activities is now set aside.

A marketing strategy was devised and implemented by the association. This new approach permitted the association to have clientele in the town of Sikasso and in the rural commune of Zangaradougou. The sales between the association and the rice market women of Sikasso reached a value of 500,000 fcfa from a rice harvest weighing more than 3,846Kg.

Regarding the management of the collective funds, an internal audit was performed by the inspection committee of the association. Organization of management documents was made obligatory. It is now necessary to have two signatures for any monetary transaction, the signatures of both the president and the treasurer of the association.

Notable **quantitative changes** were put into operation:

The number of women participating in the association’s activities increased from 35 to 101 women. The volume of rice stored for marketing increased from 8.7 tons to 15 tons is an increase of more than 72% thanks to the acquisition of a stock financed with more than 70% of its own association funds.

The annual sales turnover increased from 457,000 fcfa to 760,000 fcfa, representing an increase of 66%.

MALI FINANCE IMPACTS ON THE KOSSOMINE WOMEN’S ASSOCIATION OF ZIGNASSO



The “Kossomine” women’s association of Zignasso produces and trades rice in partnership with TradeMali. The women of this association took part in a training session called “Adapted Micro Plan” provided by Mali Finance. With the support of TradeMali, 32 women involved in the association had been participating in the Food Storage for Credit program.

The volume of rice stored and marketed by the association was approximately 4.1 tons of rice with a sales turnover of 295,000 fcfa.

Confidence in the association suffered due to administrative and organizational difficulties. Moreover, it did not have an internal resource mobilization strategy.

The Adapted Micro Plan training provided by Mali Finance produced positive impacts on the Kossomine Women’s Association as proven by the qualitative and quantitative progress achieved.

Qualitative changes were obtained in the strengthening of capacities through the organization of training sessions to eliminate functional illiteracy. The association improved its way of going about business by restructuring its working personnel and through defining the roles and responsibilities of each member.

A marketing strategy was created and implemented by the association. Thus the association increased sales and purchases with the women of surrounding villages.

At their collective funds management level, an internal audit strategy was installed and the association’s inspection committee was strengthened.

Use and compliance in the handling of management documents was made compulsory. Now, any expenses must be approved by two signatures, those of both the association’s president as well as that of the treasurer.

The notable **quantitative changes** have been:

The number of participants in association activities has increased from 32 to 150 women. The volume of rice stored for trade increased from 4.11 tons to 5.4 tons, representing an increase of more than 31% thanks to the acquisition of a stock which was 70% financed by the association’s own capital stock.

The annual sales turnover increased from 295,000 fcfa to 377,860 fcfa, representing an increase of 28%. The performances recorded by the association allowed it to acquire equipment as a merit reward from Mali’s Minister of Agriculture. Equipment included a cart, a multicultor, a motor-driven pump and a sum of 250,000 fcfa.

MALI FINANCE IMPACTS ON MRS. NABINTOU SANGARE-DIAKITE

Mrs. Nabintou Sangare Diakite is the proprietor of the personal soap business situated in the Medine Quarter of Sikasso. Her activities involve the fabrication of different types of soap using palm oil, shea butter, and coco butter.

- "Gabakourouni" Soap intended for clothes and dish washing;
- "Perfumed" soap intended for detergent and bodily use.

These products are marketed on various markets, in particular in the Sikasso, Segou, Mopti, Gao, and Timbuktu areas. Mrs. Diakite attended a ComptEx training organized by Mali Finance in 2006.

Before the ComptEx training, the company launched orders only if it noticed ruptures in the caustic soda and oil stocks, the raw materials in the soap production. Consequently, it lost certain customers because of irregularity in provisioning.

She permanently employed 17 people including 7 women and ten men. With an average monthly production of 3000 sacs of soap the company had a sales turnover of 30 million fcfca per month.

The company had a register which enabled it to follow its credits. However, the company had no accounting, which meant that it had unnoticed losses over time. The company produced the soap in the household yard, which posed medical problems. Administratively, it had problems with tax services which involved the hiding of its real receipts.

Nabintou's business suffered from credit management problems. She was aware of customers who owed her money but was unable to control and verify the amounts owed and the expiration dates of payments.

Her enterprise pursued opportunities at many financial institutions, but these always required the last financial statement. With faulty written data, the company reverted to specialists who would attempt to establish financial statements on the basis of oral information.

On the quantitative level, the implementation of account books enabled the business to control the credit and consequently improved the treasury. It recruited 5 new employees for a total of 22 permanent staff. The enterprise production increased to 4000bags of soap per month, an increase of 30%. It also releases monthly financial statements.

On the qualitative level, the training enabled the business to understand that the marketing of the quality of the product constitutes the most important step in the market placement of the product. The company now records data on all new customers. This allows them to understand market transitions and allows them to make better timing decisions. Additionally, confidence continues to grow between the company and tax collection agencies.

After the ComptEx accounting training, the enterprise regularly records all financial transactions in the TresCompta books. The business uses optional ComptEx support (credit and debit books) to follow the operations of all its customers.

Currently, she received financing from a local MFI which enabled her to build a headquarters where she continues all the production, storage, and marketing activities. The construction of the headquarters cost more than 10 million fefa.

The business can deliver its financial statement upon demand by MFIs at any point in time.

Nabintou understands the necessity to have a regularly paid manager for the business. Mrs. Sangare-Diakite finds that the ComptEx tools have enabled her to manage her business well on an every day basis, and continues to build confidence between her and her partners.



MALI FINANCE IMPACTS ON NAKO



The enterprise NAKO or VERGER is a fruit and vegetable processing plant run by Yaya Malie. The business buys the fruits and vegetables which it processes into natural juices, syrups, and confections. The business received two Mali Finance training modules which included “Micro Plan” and “ComptEx.”

Before the Mali Finance trainings, NAKO employed 7 people. Its annual production was 52 tons. This production was sold in the grocery stores of Bamako. The food processing was performed with low-tech non-commercial equipment consisting mostly of large pots and traditional sieves. It accomplished an annual sales turnover of approximately 36,000,000 fcfa. The recording of the accounting was performed in a register.

The company had suffered from administrative and organizational difficulties. It had not yet implemented a marketing strategy to promote its products and increase its sales.

The trainings and the personalized consulting of Mali Finance produced positive impacts as shown on the qualitative as well as the quantitative level.

Qualitative changes were implemented in the area of work organization through the adoption of a flow chart defining positions and tasks, employee roles and responsibilities. A production strategy was implemented by the company using a hand made technology in the beginning, and gradually evolving to semi industrial technology. The installation of the ComptEx basic accounting tool enabled it to record all operations and to produce regular financial statements.

Notable **quantitative changes** were recorded:

The number of employed personnel increased from 7 to 12 with the creation of 5 new positions. The production increased from 52 to 68 tons, an increase of 31%. The annual sales turnover increased from 36,000,000 fcfa to 50,000,000 fcfa, an increase of 39%.

MALI FINANCE IMPACTS ON THE “SOUTOURA” ASSOCIATION OF DIORO



The farmers association Soutoura of Dioro is an association of women rice traders. The women of that association received an adapted “Micro Plan” training module.

Before receiving Mali Finance training, the association Soutoura counted 5 women members. Its annual production was just 3 tons. This product was sold on the Dioro market. The threshing of rice was performed using local traditional equipment consisting mostly of mortars and pestles. The association achieved a meager annual turnover of about 600,000Fcfa. The recording of expenses and sales was nonexistent.

The association previously suffered from administrative and organizational difficulties. Accounting did not exist and it had not previously implemented a marketing strategy to promote its rice and increase its sales.

Mali Finance’s adapted “Micro Plan” training produced positive impacts on the association Soutoura in Dioro as the recorded qualitative and quantitative progress shows.

Qualitative changes were made in the area of work structure through the implementation of a structured management committee composed of 5 members with defined tasks, roles and responsibilities. On the administrative plan, the association has a set of interior rules and protocol and acquired its receipt of recognition.

A marketing strategy was implemented by the organization with a controlled sales strategy, market follow-up and rice promotion.

A system of accounting was installed which made it possible to make an assessment at the end of the campaign.

Quantitative changes were recorded as follows:

The number of members increased from 5 to 10 women.

The production increased from 3 tons to 16 tons representing a 433% increase thanks to the financed thresher.

The annual sales turnover increased from 600,000 fcfa to 3,600,000 fcfa.

MALI FINANCE IMPACTS ON OUOROKIATOU COULIBALY BERTHE

Mrs. Oourokiatou Coulibaly Berthe attended the Making Cents Micro Plan training. After the training, the post training follow-up activities revealed the following changes in the business operations of Mrs. Oourokiatou Coulibaly-Berthe resulting from Mali Finance interventions.

Before the training, the turnover at the business averaged 300,000 fcfa per month and the business only produced one product, soft soap. The product was sold in bulk and was unpackaged because 3 units were sold for 100 fcfa.

The female agro-entrepreneur owned a minimum of equipment with a value of only 750,000 fcfa. This equipment included pots, barrels, cutting tables, bathtubs, and molds.

The current business turnover averages 900,000 fcfa per month, a 200% increase from the previous 300,000 fcfa.

There was a diversification of products, which now include: soft soap, liquid soap, and semi modern perfumed soap. The support interventions of Mali Finance made it possible for the business owner to modernize the production process and improve product presentation. The liquid soap is sold in bottles; the scented soap is sold in paper wrappers in boxes of 24 labeled by the owner. The business personnel were trained on everything from the soap production process to managing company expenses. A female supervisor of activities was installed at the production facility in the absences of the owner, who oversees the domestic worker and the three young male employees. The remainder of the personnel is compensated by their own sales. The owner received an equipment grant of a value of 3,500,000 fcfa from the Ministry of Employment and Vocational training through ANPE. The equipment includes dryers, modern cutting tables, molds and mixers.

The company counted 8 employees, including seven women and a young man, all the women met to do the same work before the arrival of the business owner because she delegated responsibility and nothing was done in her absence. Tasks were not identified and assigned. Accounting was not up to date and the figures could not be justified for lack of accounting records. Transparency was an issue. The business owner had a savings account at Kafo Jiginew. The company did not have a commercial name. There was only one product, soft soap. The product was sold on the spot, at the production site and the local Sikasso market. The owners only trade partners were her raw material suppliers of scrap cotton seed oil.

The enterprise now counts 14 employees; 11 women and 3 young men. Each employee knows his/her responsibilities. Specific work positions now exist and the personnel will now work independently in the absence of supervision from the owner. The entries of the enterprise are justified starting from the accounting records. A second bank account was opened with the BMS – SA. The operations of expenditure and receipts are recorded in an account book. Accounting is followed by a counselor. The enterprise now has a commercial name; “Kene Soap.” With the diversification of its product line the business owner now has retailers who bring the products to the nearby markets of: Niena, Danderesso, Lobougoula, Kignan, and Farakala. These retailers carry out many receipts and promote the products.

The owner has strengthened business relations with the suppliers of raw materials because of the quality of the products. As a consequence of what she learned from the Mali Finance training, she broke off relations with a particular supplier due to a consistent drop in quality, affecting the quality of product produced. The business also has technical partners. She is even using a consultant to help with the follow up on monthly fees.



MALI FINANCE IMPACTS ON THE SUUDU BAABA FOUNDATION OF SEVARE



Suuda Baaba is a Mopti stockbreeders association based in Sevare, 13 km from Mopti. It collects and processes the local milk sold in various forms: pasteurized milk, curdled milk and yogurt. Created on March 3, 2006, it counts 182 members (80 women) including 4 co-operatives and 3 associations in the Mopti region. Suudu Baaba attended an Adapted Micro Plan training and benefited from the personalized support and counsel and the implementation of the ComptEx accounting and business management tool. Before this support from Mali Finance, the company relied heavily upon the voluntary support of some of its competent members. Collected milk was inefficiently sold door to door without being processed and contained in reused plastic bottles on their heads. The monthly sales turnover was a modest 585,000 francs CFA. Accounting took place only on an abstract level and receipt and expenditure records were not kept. There were no written contracts with the milk suppliers. The company lacked a flow chart and struggled with enormous administrative and organizational difficulties. It also suffered from marketing problems so trusting clientele was rare. The trainings and Mali Finance's follow-up produced positive impacts on Suudu Baaba, evident in the dairy's recorded progress.

Qualitative Changes included: -work organization improved by adoption of flow chart defining employees stations, tasks, roles and responsibilities; accounting documents designed and made available to Federation; statutory meetings regularly held with verbal support and guidance; marketing strategy installed with radio advertisements; designed advertising signs.

Realistic unanimous objectives were laid out and the means of reaching them implemented. The processing and conditioning of milk were revolutionized by the acquisition of heavy duty equipment and plastic packaging carrying the logo of the institution. The company benefited from a loan of 2,000,000 francs CFA from the BNDA for the purchase of cattle feed for its members for dairy maintenance, guaranteeing a regular supply of milk. The loan was secured thanks to the business plan supported and developed by the SABA/Mali Finance team. Thanks to Mali Finance, many other contacts were secured with various partners, specifically with Peace Corps who proposed to assist them with their technical plans. The PCDA and the World Bank plan to support them financially and to reinforce their capacities. Finally, the Embassy of France may also contribute assistance following a visit during their chief economic mission.

Quantitative Changes include: a personnel increase from 1 voluntary employee to 6; a milk collection increase of 207%; an increased sales turnover for the same period from 585,000 to 1,800,000 francs CFA. In terms of functioning equipment, the company purchased completely new equipment which now includes: 2 pasteurizers; 1 freezer; 2 carriages; 1 thermo welder; 1 lactodensimeter; 1 thermometer; 5 gas bottles; 17 bath tubs; 30 collection cans; 2 mobyettes.

MALI FINANCE IMPACTS ON THE YERE DEME TON COOPERATIVE



Yere Deme Ton is a rice producing agricultural cooperative located in the commune of Korombana (Korientze), 150 km from Mopti. It benefited from several support structures provided by Mali Finance and PRODEFAM. Mali Finance support came in the form of business management and accounting trainings: the Adapted Micro Plan and ComptEx. It also assembled 2 business plans for them whose financing went to the BNDA level whereas in the past, this organization had no relations with banking structures.

Before benefitting from this support, Yere Deme Ton, used only one motorized irrigation pump. Its annual production was 36 tons coming from 6 hectares of exploited land. The royalty on the production of this paddy rice was recovered only with great difficulty. It was also sold unprocessed on the local market with no added value. The annual sales turnover was 1,440,000 francs CFA per year and the accounting was very general. The co-operative suffered from administrative, management, and organizational difficulties (lack of respect for statutes and payments, ignorance of marketing). The training and follow up advising implemented by Mali Finance produced positive impacts on the structure. These are confirmed by the changes that have occurred at the qualitative as well as quantitative levels.

Qualitative changes in the area of work organization included the adoption of a system where stations, positions, roles and responsibilities are defined for the employees. The objectives are now laid out at the beginning of every crop year and the means to implement these objectives are sought out. Accounting documents are recorded, saved, and updated with the application of points learned in trainings of the Adapted Micro Plan and the accounting module ComptEx. The statutory meetings are now regularly held with verbal support. As mentioned above, the co-operative can attain more financing through its two successful business plans.

Quantitative changes

Changes identified among others include:

- an increase in production from 36 tons to 54 tons, indicating an increase of 50%.
- the annual sales turnover more than doubled from 1,440,000 francs CFA to 3,072,000 francs CFA, an increase of 113%.
- The acreage cultivated doubled from 6 to 12 thanks to support from PRODEFAM.

These various interventions restored hope among the populations served.

MALI FINANCE IMPACTS ON THE Wafa KOYE COOPERATIVE OF DIOGUI

The Wafa Koye enterprise is a rice producing agricultural cooperative society situated in the commune of N'dodjiga. It was created under receipt 034 of 01/06/2004 SDES in the circle of Youwarou. Until now, it regularly produced rice on 59 hectares of land. This co-operative, among others attended business management and accounting trainings (Micro Plan, ComptEx) and received personalized support from the Project Mali Finance. Before this collaboration with Mali Finance, the company used two motorized irrigation pumps. Its annual production was 247.5 tons of unprocessed paddy rice was sold on the local market or to wholesalers in Mopti and Youwarou. The annual sales turnover was 5,148,000 francs CFA per year. Accounting only took place on an abstract level. The company suffered from administrative and organizational difficulties (disrespect for statutes and payments, ignorance of marketing, price cutting in production sales). The trainings and personalized follow-up advising from Mali Finance produced positive impacts on the structure as testified by the progress recorded by Wafa Koye on the qualitative as well as quantitative levels.

Qualitative changes included:

- Implementation of an organizational workplan including the adoption of a flow chart defining stations tasks, roles, and responsibilities for the employees.

- Fixed objectives; well kept transparent and up-to-date accounting documents with the application of training points from the Adapted Micro Plan.

- Statutory meetings are regularly held with verbal support processes.

- A marketing strategy was installed with advertisements on the radio.

Other qualitative changes could be observed; Indeed, in the mode of rice threshing, the co-operative benefited from a loan of equipment (threshing machine) of an amount of 3,500,000 francs CFA from the BNDA thanks to a business plan worked out by the NGO SABA/Mali Finance team.

In addition to this equipment, the loan enabled them to obtain an agreement in principle from the BNDA for the financing of the next season.

Previously, they received a loan of 2,000,000 francs CFA with the help of PRODEPAM and with which we have ensured the follow-up. All this comes to confirm a change of mentality in its members: the establishment of familiarity with a banking culture through Mali Finance whose objective was to help these structures to reach more financing. In addition, the installation of a CSV made it possible for the co-operative to avoid the cut-priced sale of its stock of rice and to finance the next season.

Notable Quantitative changes were also recorded:

- The personnel increased from 2 employees to 5 employees with the creation of three newly established positions;

- the production increased from 247.7 tons to 3002.5 tons, indicating an increase of 22%

- the annual sales turnover increased from 5,148,000 francs CFA to 5,720,000 francs CFA, representing an increase of 11%.

These assets deserve to be made sustainable in one way or another in order to not start all over from the beginning.



ANNEX 9: SUCCESS STORIES



USAID | MALI
FROM THE AMERICAN PEOPLE

USAID Supports Aviculture in Mali

The DCA intervention has made an investment loan possible in the sensitive aviculture sector.



PHOTO : AÏSSATA CHEICK SYLLA / MALI FINANCE

Being able to import more than 20,000 chicks per year, Mr. Sow is one of the most important poultry breeders in Mali.

With food being the essential element in breeding, Mr. Sow buys 40 tons of corn and 25 tons of oil cakes per month. With his new investment, these tonnages will double.

Started in 1999, AVIFARM gains its name from the largest Ghanaian poultry breeder. Impassioned by breeding since his youth, the business owner, Mr. Seydou Sow learned how to raise chicks from his father. Holding a Doctorate in Pharmacology, he has managed a pharmacy in Bamako for 18 years, is chairman of the board of the pharmaceutical company LABOREX which gathers nearly 150 Malian pharmacists and is also vice president of the Association of Modern Poultry Breeders of Mali. He branched out in poultry farming with an initial investment of \$4000 by making two cycles of 1,000 hens to the village. He erected his first poultry facility in 1999 and has 7 of them today.

With its 7 coops, AVIFARM can annually maintain a minimum of 4 hen coops of laying hens, which lay approximately 15,000 eggs per day. Since Mali is such a hot country, the rate of eggs laid decreases by 50% during the hot season, with significant hen losses during this time period as well. One of Mr. Sow's Senegalese suppliers called his attention to possible additional installations, a cooling system called "Pad Cooling" which guarantees a maximum temperature of 25° to 27° (the ideal temperature for laying) in any season. With the acquisition of two new isothermal buildings, 30,000 new laying hens will be able to produce more than 24,000 eggs per day, which constitutes an improvement in productivity of more than 50% during the hot season, while also reducing the death rate of hens.

Following successive flourishing investments, Mr. Sow made a request for financing for the improvement of his enterprise. He submitted his dossier to the BICIM bank, DCA guarantee program partner of USAID. The likelihood of financing fell prior to Mali Finance follow-up: "The Malian Banks did not want to finance my project. The file was turned down at the end of 2005 because of the avian flu threat in neighboring countries. The follow-up with the BICIM was facilitated through the DCA guarantee." Mali Finance, a support and advising project of USAID, visited the site, discussed possibilities with the business owner and informed the BICIM of the project's eligibility for the DCA program. The bank thus decided to grant a loan to the entrepreneur, covering 50% of the financing. The cost of the project was supplemented by the *Belgian Investment Company*, BIO, of the Belgian Co-operation. This investment project demonstrates and justifies the DCA guarantee program for Mali. Only the BICIM, with DCA, was interested in this investment. In facing a higher risk than in trade, the Malian banks still prefer to put their money in a certificate of deposit. The investment loans, such a driving force in the development engine, are always forced to wait. With AVIFARM, however, the path to continued improvement and success is paved.

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FROM THE AMERICAN PEOPLE

Processing Malian Cotton and Fighting Poverty

Mali finance support permitted the expansion of SOFACO SA, a Malian cotton processing factory.



PHOTO: AISSATA CHEICK SYLLA / MALI FINANCE

President Director, Lanfia Camara, busy's himself in the factory bought from Greece and established with the SOFACO for its expansion.

«Our first reorganization of the project was implemented thanks to Mali Finance which supported us in our dealings with the banks. They were among the first to truly believe in our project.»

—Mr. Lanfia Camara, President Director of SOFACO SA

U.S. Agency for International Development
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Cotton is one of Mali's biggest export earners, second only to gold in earning power. However, a lack of sufficient local processing plants is among the obstacles to overcome to effectively exploit this significant agricultural resource.

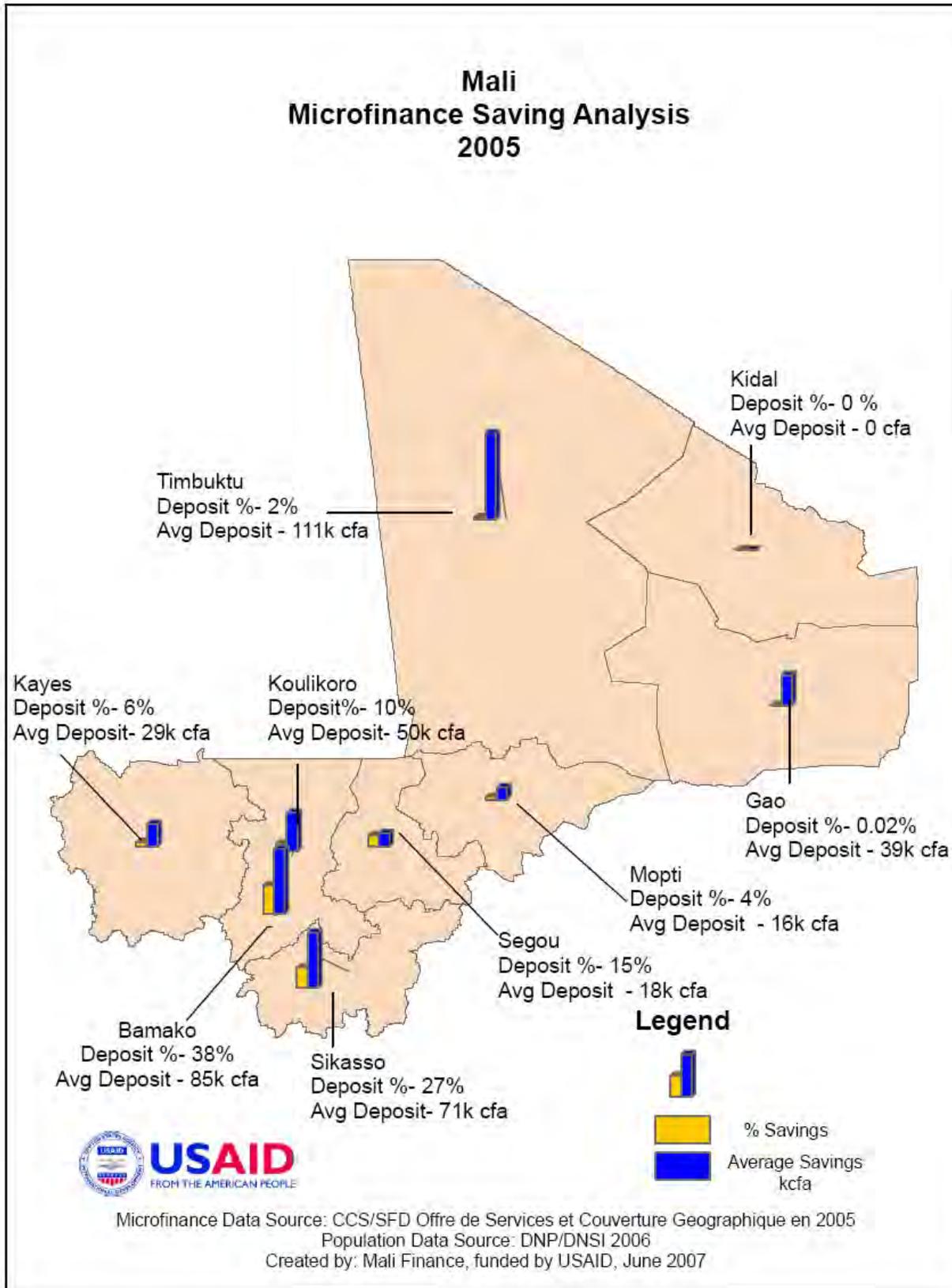
In 2004, Mali Finance, a surveillance and support project of USAID, offered its services to the key members of the Industrial Employers Organization of Mali. Mr. Lanfia Camara, a keen businessman and presiding Director of the SOFACO SA cotton processing factory, recognized this opportunity and requested support for the mobilization of funds for his project to process cotton into a semi-finished product for export to cotton swab factories in Europe. Operational since March of 2005 with a sales turnover of 113 million francs CFA, SOFACO SA plans involve a process performed in 3 phases: cleaning, washing and enriching cotton. This company created 16 jobs in its implementation of phase 1 alone.

After a site visit, Mali Finance opted to support the creation of the present business plan and the mobilization of funds for phase 2. Once finalized, the dossier was sent to the BDM SA bank for financing. Mali Finance facilitated the connection between the business owner and the bank which approved 25 million francs CFA in financing. However the business owner finally gave up this partial financing because of the guarantees required. The total cost of the three phases of the project is 582 million francs CFA with an output of 5,000 tons of cotton per year. Mali Finance followed up and assembled the file according to the criteria required from the ADF (African Development Foundation). After several meetings and more than a year of discussion, the ADF granted a credit of 121 million francs CFA over 5 years. Mr. Camara exclaimed "Thanks to the accompaniment of Mali Finance, the unit is in Stage 2 of implementation with 30 employees, which will increase to 100 in Stage 3."

At the economic level, the in-country processing of 1% of the cotton stabilizes the price for the producers. To fight against poverty, the SOFACO factory, in addition to creating jobs, plans to yield approximately 5% of its net profit to its workers. At the environmental level, the women use the cotton waste from the plant to manufacture mattresses and cushions. Livestock breeders use the extracted cotton seed for cattle feed and gardeners use the cotton dust for fertilizer. Additionally, the Unit hopes to be connected to the wastewater purification center which is under construction.

Eventually, Phase 3 will be devoted to the manufacture of socks within the framework of the AGOA. With a current sales turnover of approximately 206 million francs CFA in 2006, the SOFACO counts on reaching the billion francs CFA mark in the coming years.

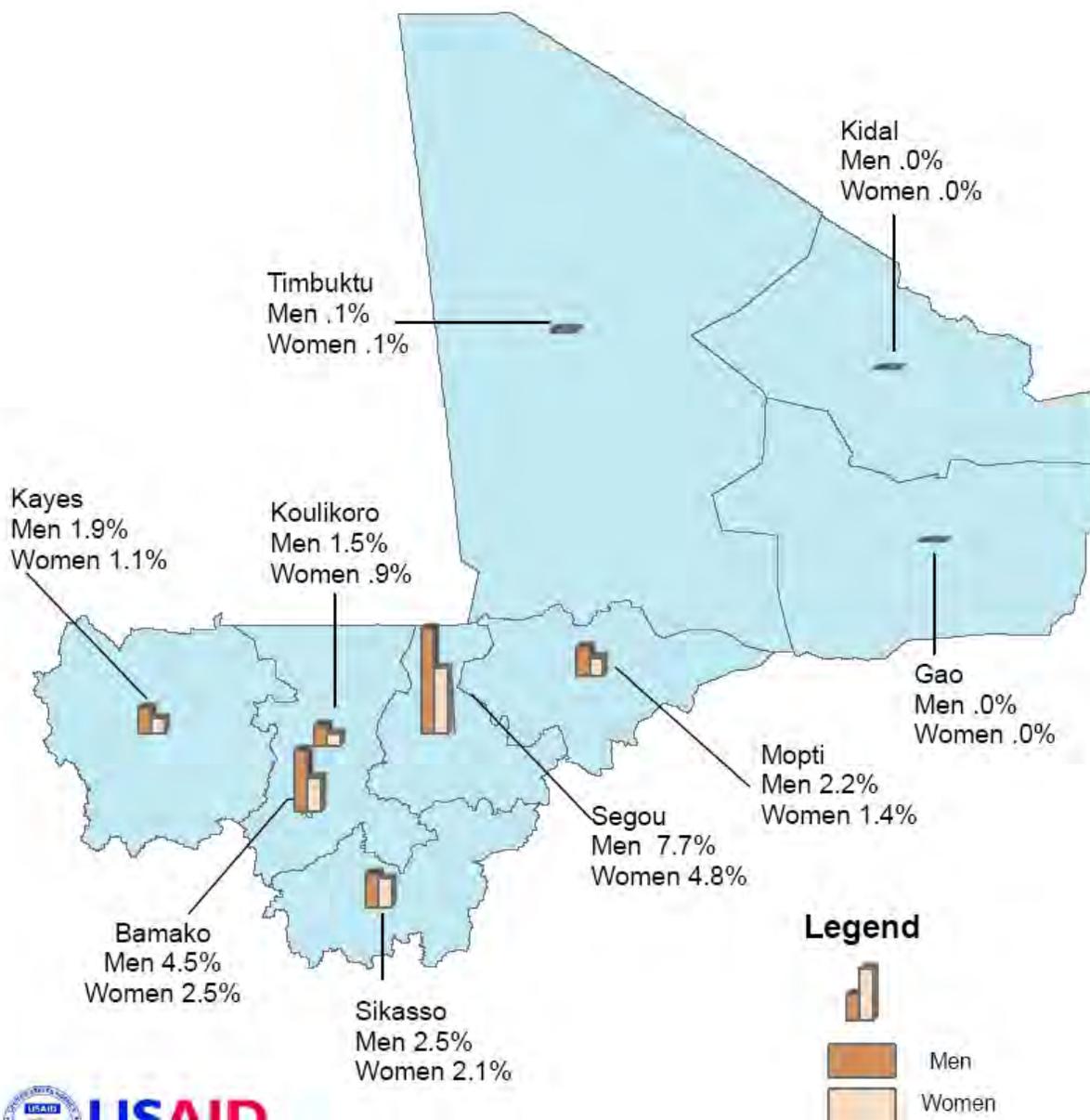
ANNEX 10: MICROFINANCE MAPS



Mali

Microfinance Market Penetration

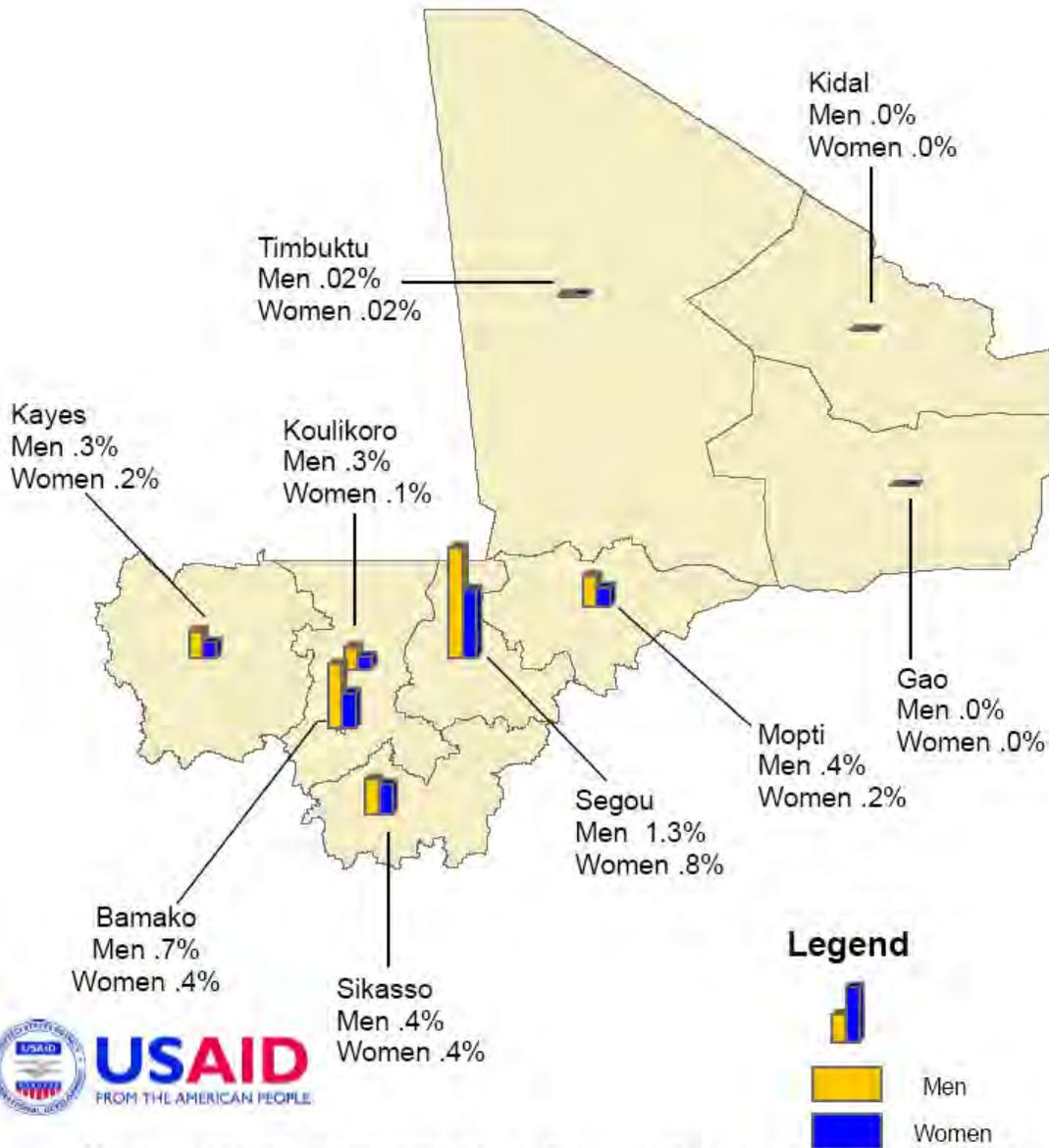
2005



Microfinance Data Source: CCS/SFD Offre de Services et Couverture Geographique en 2005
 Population Data Source: DNP/DNSI 2006
 Created by: Mali Finance, funded by USAID, June 2007

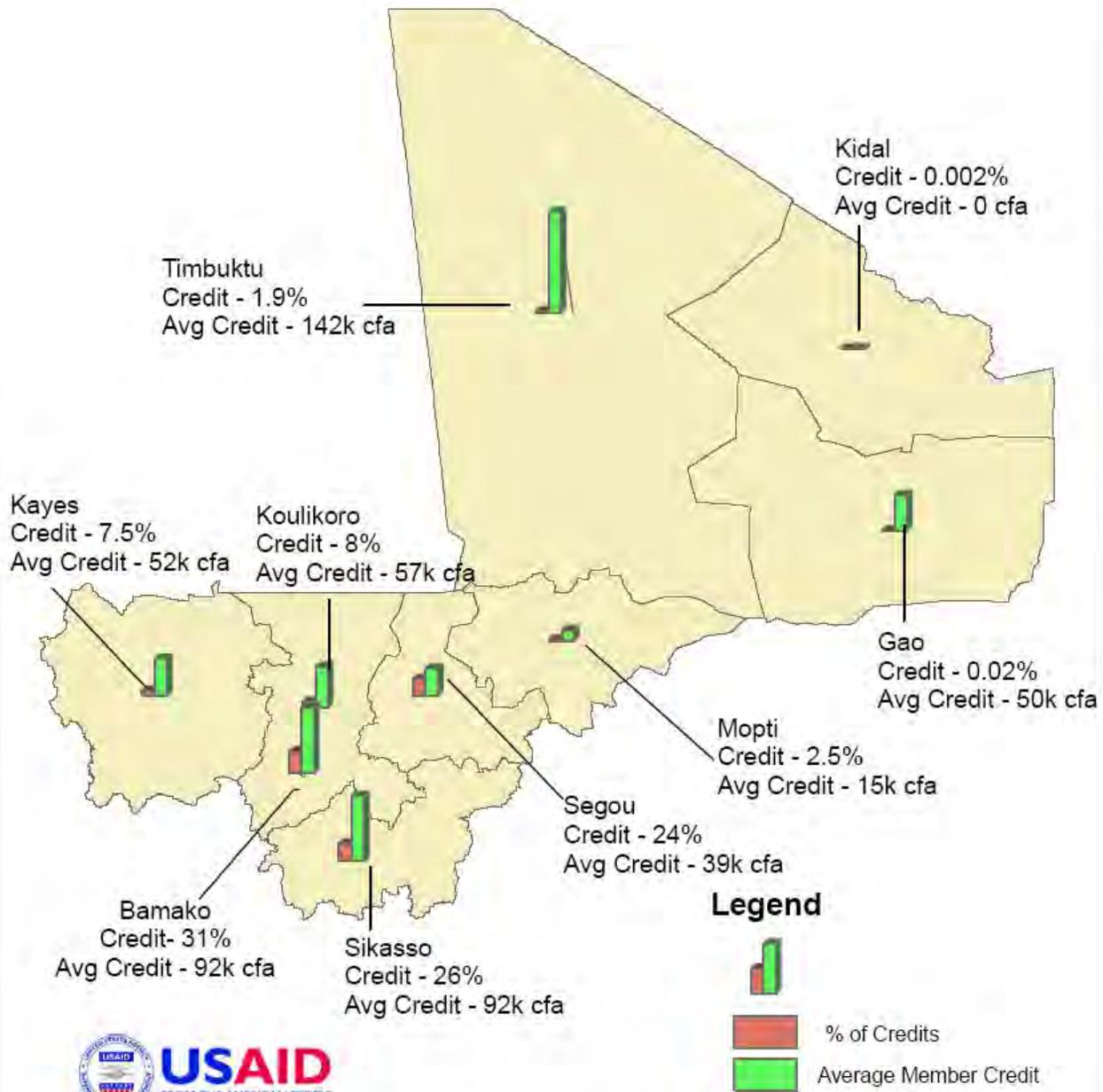
Mali

Microfinance Membership Market Penetration 2005



Microfinance Data Source: CCS/SFD Offre de Services et Couverture Geographique en 2005
 Population Data Source: DNP/DNSI 2006
 Created by: Mali Finance, funded by USAID, June 2007

Mali Microfinance Credit Analysis 2005



Microfinance Data Source: CCS/SFD Offre de Services et Couverture Geographique en 2005

Population Data Source: DNP/DNSI 2006

Created by: Mali Finance, funded by USAID, June 2007

