

Investment Promotion Agency

API-Mali

Draft Business Plan

Submitted by MIGA to USAID Mali

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Section 1: INTRODUCTION: BACKGROUND AND CONTEXT

The Government of Mali (GOM) is committed to achieving sustained and equitable economic growth through continued macroeconomic reforms aimed at broadening the economic base and by developing and diversifying sources of growth while strengthening the enabling environment for the private sector to become the engine of growth. The GOM has initiated a series of actions aimed at accelerating private sector development in recent years: the Presidential Investors' Council was launched in September 2004 to introduce a global business perspective into policy design and implementation and the law to establish a new investment promotion agency, API-Mali, was passed in September 2005. The GOM is currently in the process of putting in place API-Mali. This document is to assist the incoming management team to swiftly start the discussion about the first year's operation of API-Mali with the Board, while further fine-tuning is expected once the management team is formed.

Section 2: VISION, MISSION, AND OBJECTIVES

The present language is inspired by the law and decree to establish API-Mali. The subjects of discussion here are fundamental value building blocks of the new agency, and need to be carefully discussed by all the stakeholders.

API-Mali's Vision

API-Mali, a public agency, is to encourage and retain domestic and foreign investment while taking part in the improvement of investment climate and development of industrial zones in the view of making a contribution to Mali's economic development. API-Mali is committed to provide thorough and of world-class quality professional services to potential and existing investors.

API-Mali's Missions

API-Mali's missions, as spelled out in the law and decree to establish API-Mali, are the following:

- Draw the interest of potential investors to Mali as a destination for investment;
- Receive, inform and support national and foreign investors to develop their investment projects;
- Facilitate investors through the administrative procedures and authorizations requirements;
- Contribute to the planning, coordination, development and management of the industrial zones for putting in place competitive physical infrastructure to attract investors;
- Provide aftercare services, and identify obstacles faced by the investors and propose the reform agenda.

BOX 1: Basic definition of core investment promotion functions

Like the case of API-Mali, IPAs are usually equipped to handle the following functions: investment promotion, investor facilitation, investor servicing, and policy advocacy. Below are brief descriptions of each function.

Promotion

The purpose of the promotion function is to generate investors' interest in the country as an investment location. In order to meet this objective, the team normally undertakes the following activities:

- to develop promotion strategies and plans for priority sectors and for target markets abroad;
- to develop promotional materials (i.e. brochure, standard power point presentation, website etc) to conduct public campaign;
- to engage in proactive promotion activities designed to convince investors to undertake direct investments in the country (cold calling or telemarketing, briefings, missions, etc.);
- to receive investors visits for the maximum positive impact.

While a specialized investment promotion professional is expected to participate in trade fairs and missions on regular basis as a “sales person for Mali”, the success of such a person depends largely on the supporting function of organizing and managing logistics connected with events.

A sound promotion strategy is the key for successful investment promotion, and it is critical to develop the strategy based on sound market research and intelligence. The promotion activity requires a supporting function of constantly gathering, digesting and updating the market intelligence from various sources. A part of the market intelligence gathering is to maintain a clients' database.

Facilitation and Services

Once investors are interested in the country, it is the function of the investor facilitation to ensure investors are properly services. Effective investor facilitation involves the following roles.

- Providing first rate information services to address investors inquiries and concerns;
- Facilitating the communications with relevant ministries and departments to put in place all the necessary approvals to start projects;
- Helping the client form links with the private sector and professional service providers.

In some countries, IPAs may also be directly involved in granting certain permits and approvals.

Policy Advocacy

Through its interaction, an IPA is well-positioned to gain deep understanding of the constraints investors face in the country. An effective IPA is the one that can effectively convey such messages to the relevant ministries to influence policy reform agendas.

Management of Industrial Zones

In addition to the core functions of investment promotion, API-Mali is also given a mandate to participate in the planning, coordination, development and management of the industrial zones (to be further defined later).

For the first year of API-Mali's operation, the following objectives with quantifiable and measurable objectives are suggested:

- Identify target sectors for investment promotion;
- Develop key marketing materials reflecting key messages;
- Identify Top 100 high potential investors for Mali;
- Develop a database of existing investors in Mali;
- Implement client relationship management system;
- Determine the role of API-Mali in the inter-agency workflows to grant permits and approvals;
- Determine appropriate role for API-Mali in the development and management of industrial zones.

Section 3: DEVELOPMENT OF WORK PROGRAM

Much of the work in the first year will be devoted to start-up operations, including the development of basic operating and administrative procedures and processes, recruitment and training of key staff, mobilization of international technical assistance and the development of collaborative links with other Government agencies. Following are the specific activities to be undertaken during the first year, categorized by functions.

3.1. Investment Promotion

3.1.1. Information Gathering

Up-to-date accurate information is the key to formulate effective investment promotion strategy. API-Mali will devote resources to the collection of data and other information concerning the investment, economic indicators, regulatory environment and others. As a part of information gathering, API-Mali needs to identify 100 potential investors into Mali, and obtain their detailed profile.

3.1.2. Development of Promotional Materials

The Agency will first produce a general brochure on Mali and a standard slide presentation. The information in the brochure will be supplemented with fact sheets on investment opportunities, priority sectors, company and foreign exchange registration procedures, other required approvals, a simple guide to the tax code including information on exemptions on tax, excise or customs duties that may be claimed by foreign investors. In addition, a website for API-Mali with all the relevant information should be developed, while putting a plan for update and maintenance in place.

3.1.3. Development of Investment Promotion Strategy

Based on the intelligence gathered and in consultation with the stakeholders, API-Mali needs to develop investment promotion strategy, i.e. targeted sectors, markets, the modality of reaching out to the potential investors, etc.

3.1.4. Develop Relations with the Overseas Embassies

API-Mali needs to develop a protocol to work closely with Mali's overseas embassies and diplomatic missions in executing the overseas programme and facilitating contacts.

3.1.5. Overseas Marketing

Subject to budget, there will be up to two general image-building missions per year to update influential audiences on Mali's progress in making its investment environment a more competitive product. Often these events will coincide with an overseas mission by the President or Prime Minister to give added prestige to the event. The Agency also attends international and regional trade and industry exhibitions. Where practical, targeted sector missions to meet individual companies in their offices will be scheduled to take place before or after the event. Substantial efforts need to be devoted to the preparation in order to make most out of these missions. Once the details of the overseas marketing plan is drawn, API-Mali needs to engage donors to mobilize resources to undertake sufficient activities.

3.2. Investor Servicing and Facilitation

3.2.1. Prepare Information Package

Ensure all the factual information concerning making investments in Mali is available. The information sought may encompass a wide range of subjects, often quite specific. API-Mali will devote substantial efforts to identify information needs of potential investors and gaps in the existing information, and where possible, fill the gap, working closely with the investment promotion team.

3.2.2. Partnership Building

The ability of API-Mali to effectively serve investors community rests to a large extent on the ability of API-Mali to effectively convey investors needs and concerns to relevant parts of the government. It is critical that API-Mali has an extensive communication channels with various parts of the government. While much of such communication and partnership building will come in the form of informal networking, API-Mali will also organize twice yearly meetings to provide information to the media, private sector intermediary organisations, other service providers (banks, legal, accounting and consulting firms) and officials from Ministries, Departments, and Agencies that work with API-Mali's clients.

3.2.3. Determine the Role of API-Mali in Inter-Agency Workflow of Grants and Permits

While there is currently a unit called "Guichet Unique" within CNPI (IPA to be replaced by API-Mali), it has not fully functioned to fulfill its purpose – of being a one stop shop for all the necessary documents submission in order to streamline the investment registration process. There are initiatives to improve administrative procedures, which API-Mali will need to be fully tuned in. In the meantime, the role API-Mali will have in the inter-agency workflow of grants and permits necessary for investors will need to be defined. In addition, API-Mali also needs to review the

current administrative procedures handled by the Guichet Unique of CNPI to determine the future course.

3.2.4. Develop a Database of Existing Investors in Mali

API-Mali will need to make a comprehensive list of existing investors in Mali and their contacts, in order to facilitate the future investor servicing activities.

3.2.5. Develop a System to Obtain Feedbacks from Investors

API-Mali will need to develop a system which allows to gather feedbacks in order to understand investor's needs and constraints, once they are established in the country. The feedbacks, once obtained, will be analyzed, and, if deemed necessary, will be conveyed to the relevant ministries and departments within the government.

3.3. Policy Advocacy

Based on market intelligence gathering and consultation with investors, API-Mali will be identifying policy issues that need to be raised vis-à-vis various ministries on behalf of investors. Successful policy advocacy rests on having the right communication channels in the government as well as the credibility of API-Mali as an institution. Much of the work of the first year will be to build partnership within the government and understand investors concerns, with the aim of drafting a positioning paper in the second year.

3.4. Industrial Zone

API-Mali will determine appropriate role for API-Mali in the development and management of industrial zones.

3.5. Institutional Development

3.5.1. Staffing, Development and Appraisal

Given the foreseen activities of API-Mali for the coming year, the following organizational chart is proposed. Note that the first year will be devoted to the recruitment and development of key staff only (see Table 2 for staffing plan for the first three years).

Figure 1: Proposed Organizational Structure for API-Mali by the end of Year 2

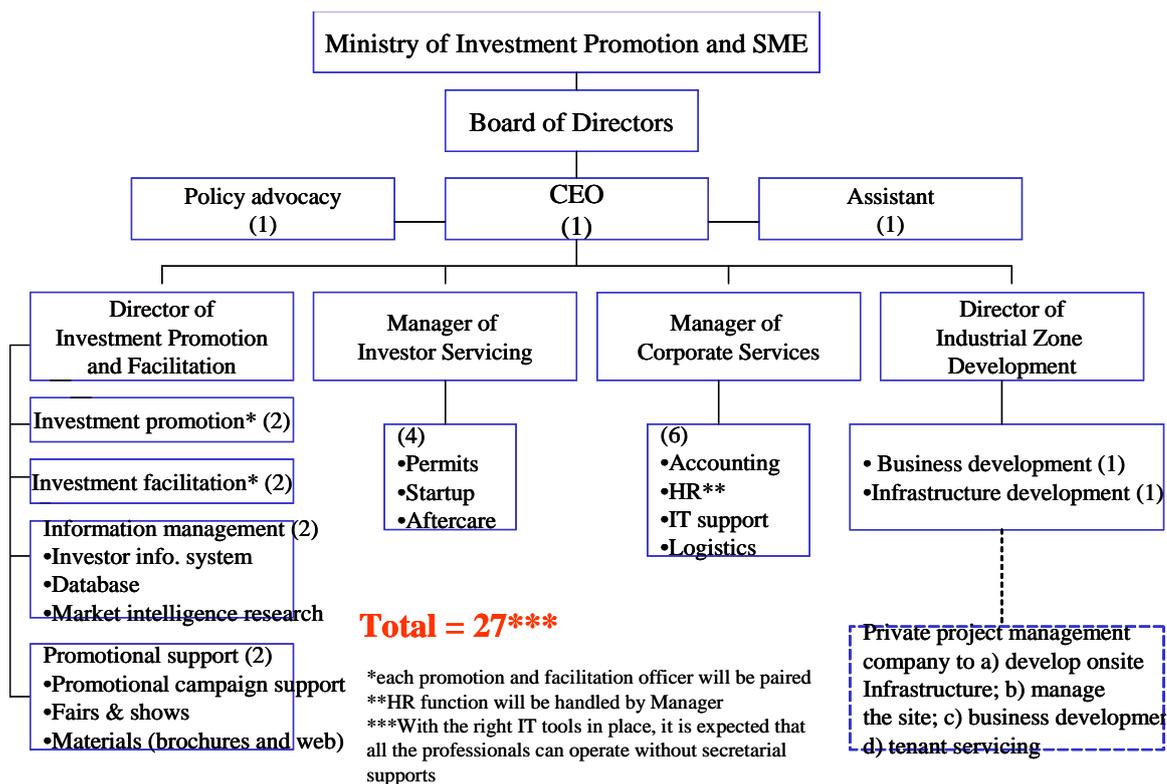


Table 1: Description of Each Functional Unit

CEO	Reports to the Board. Develops an strategic plan, work plan and financial plan for approval from the Board; oversees the implementation of the strategy, work plan and financial plan; manages the strategic aspects of the organization, including the structure and policies of API-Mali; has overall responsibility over the implementation of the strategy, work plan and financial plan; delegates power. The CEO is also responsible for establishing relationships with the government and other stakeholders.
Invest. Promotion and Facilitation Unit	The director of investment promotion and facilitation unit oversees the proactive investment promotion process of API-Mali, through the execution of two main functions: raising the image of Mali as a location for investment and proactively engaging potential investors so they invest. In addition, the director also oversees the process of attending potential investors by providing additional information and arranging site visits
-Promotion	The main task of an investment promotion specialist is to market Mali and persuade investors to invest in Mali. The investment promotion specialists are the key to the success of investment promotion.
-Facilitator	Facilitators are the counterpart of investment promotion officers. They provide additional information for potential investors to further consider Mali as a destination, as well as to receive them for site visits.
-Information management	In order to support a successful promotion activity, market research is critical. It involves knowing existing, as well as

	potential investors in Mali and catalogue them, identifying potential investors which may fit strategically with Mali's development objectives, understanding who the key decision makers are, and developing of a personalized selling proposition to obtain their attention.
-Promotional support	It involves developing various promotional materials for various medias as well as supporting the promotion specialists to arrange overseas missions.
Investor Servicing Unit	Manager of investor servicing unit oversees API-Mali's efforts to establish and strengthened its relationship with actual investors as well as to take over the existing function of Guichet Unique (facilitate business registration process).
-Permits	This is the existing Guichet Unique function under CNPI. Until further notice, the operation will continue.
-Startup	It involves attending any concerns raised by investors in establishing and starting business in Mali, and liaising with relevant ministries as needed.
-Aftercare	It involves maintaining a strong link with investors that are settled in Mali, by establishing a systematic dialogue with them to learn about their negative and positive experiences in the country and to help them direct their feedback to the government so actions are taken.
Industrial Zone	The role will be to be defined during the first year of the operation
Policy Advocacy	It involves providing investors feedbacks to the government in the view of improving investment climate. This function also supports the CEO to organize Board meetings.
Corporate Services	Accounting, human resource management, information technology support, and logistics (tea service etc)

Table 2: Staffing Plan

	Year 1	Year 2	Year 3
CEO	1	1	1
Directors	2	2	2
Managers	2	2	2
Senior professional staff (2 promotion, 1 policy advocacy, 1 IZ business development and 1 infrastructure)	5	5	5
Mid level professionals (2 facilitation, 2 information management, 1 servicing, 2 corporate service)	7	7	7
Junior professionals (1 promotional support, 3 servicing, 2 corporate service)		6	6
Support (1 executive assistant, 1 investment promotional support, 2 corporate service)	2 (1 exec. Assit. & 1 corporate service)	4	4
Total	19	27	27

A job description for each staff member will be refined and finalized, though it will be subject to annual review. A system for performance evaluation needs to be put in place, to be undertaken annually. Staff training will play a critical role in the ongoing institutional development of API-Mali. Learning plan needs to be developed. Each division also needs to establish operational procedures and prepare written documents.

3.5.2. Information Technology

The Agency will encourage intensive use of information technology and widely sharing information within. To achieve this, all staff will be trained on the use of personal computers and basic software. In addition to the standard software, such as MSWord, MSExcel, and MSPowerPoint, the Agency management information software system will include components for investor tracking, contact databases, performance monitoring, and an associated accounting software system. API-Mali will need to make determinations as to what software are required for the agency's operation and how the maintenance of such programs will be carried out.

The Agency's management information system will have an Investor Tracking software component that will be the heart of its information network. The system will enable the progress of a project to be followed from the first contact with a client to the point at which an investment is made.

Section 4. Budget

Below is the proposed budget for API-Mali in the next five operating years. For the first year, API-Mali has been allocated approximately \$800,000 for its operation by the government. As of today, the contribution from the government and the donor community still fall short of the required funding for the first year operation of API-Mali by a quarter of million USD.

Figure 2: Proposed Budget for API-Mali FY05-10

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Recurrent budget						
Compensation (salary and benefits) ¹		606,000	717,600	717,600	717,600	717,600
Telecom, post and courier ²		24,000	26,400	29,040	31,944	35,138
Electricity and water ²		24,000	26,400	29,040	31,944	35,138
Building Maintenance		5,000	5,500	6,050	6,655	7,321
Consumables		15,000	16,500	18,150	19,965	21,962
Hospitality etc		4,000	4,400	4,840	5,324	5,856
Other direct costs (insurance, audit etc)		15,000	15,000	15,000	15,000	15,000
Sub-total		693,000	811,800	819,720	828,432	838,015
Capital Expenditure						
Networked computers, software		50,000	5,000	5,000	5,000	5,000
Investor Tracking system		50,000	0	20,000	0	0
Website development		10,000	0	10,000	0	10,000
Photocopies, printers and scanners		40,000	0	0	10,000	0
Sub-total	0	150,000	5,000	35,000	15,000	15,000
Investment Work Program						
Proposal for the establishment of IPA ³	50,000	0	0	0	0	0
Establish operating procedures, and other institutional details		15,000	0	0	0	0
Development of business plan		20,000	0	0	0	0
Printed promotional materials ⁴	19,000	50,000	5,000	35,000	5,000	5,000
Training on basic IP skills and use of IT for promotion ⁵		35,000				
Training on investor outreach ⁶			20,000			
Sector study (benchmarking) ⁷	100,000		50,000		50,000	
International conferences ⁸		110,000		110,000	110,000	110,000
Outreach program ⁹			80,000	80,000	80,000	
Sub-total	169,000	230,000	265,000	225,000	245,000	115,000
Total	169,000	1,073,000	1,081,800	1,079,720	1,088,432	968,015
Portion covered	169,000	813,000	831,800	819,720	828,432	838,015
Portion uncovered	0	260,000	250,000	260,000	260,000	130,000
WB						
MIGA	100,000	70,000	20,000			
USAID		100,000				
Mali Finance	69,000	50,000				
GOM		693,000	811,800	819,720	828,432	838,015

Notes:

1. Compensation: The figure here is the combination of salary and benefits. The level of compensation will be comparable to that of private sector.
2. Based on the operating expenses of CNPI
3. Financed by USAID/Mali Finance in Year 0.
4. For Year 0, Mali Finance will finance the translation and printing of ICC report on Mali.
5. By international consultants, supervised by MIGA. 5 days
6. By international consultants, supervised by MIGA. 2 days
7. USAID funded MIGA to conduct a benchmarking study for six sectors in Year 0. Update or additional sectoral study will be required in Year 2 and 4
8. Earmarked in the negotiated budget between the Ministry of Investment Promotion and the World Bank.
9. One sector specific program to target two investor countries