

End of Project Report, July 2003

Final Report on the
USAID-Sponsored Project
Mali Microfinance
Capacity-Building Program
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by

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LIST OF ACRONYMS

AFMIN	African Microfinance Network
APBEF	Association of Professional Bankers and Finance Establishments
APIM	(Initials from French) Professional Association of Microfinance Practitioners
BCEAO	(Initials from French) Central Bank of West Africa
CAS / SFD	(Initials from French) Department of Financial Decentralization Systems within the Malian Ministry of Finance
CGAP	Consultative Group to Assist the Poorest
GTZ	(Initials from German) German Technical Assistance
HQ	Headquarters
IQC	Indefinite Quantity Contract
MFI	Micro Finance Institution
MIS	Management Information System
PMP	Performance Monitoring Plan
SEEP	Small Enterprise Education and Promotion Network
SEGIR-GBTI	Support for Economic Growth and Institutional Reform – General Business Trade and Investment
UMOA	(Initials from French) West African Monetary Union – Central Bank of West Africa
UNDP	United Nations Development Program
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

This End of Project Report covers the period October 1, 2001 – July 31, 2003 and highlights the results achieved through the *USAID-Funded Microfinance Program in Mali*, under the SEGIR-GBTI Contract PCE-I-00-98-00012-00, Task Order 810, Technical Assistance Order #006. This task order was signed on September 26, 2001 for a period of one year between USAID Mission in Mali and the Barents Group of KPMG. At the end of the initial end date of this task order, our burn rate was approximately 80%. On this basis, we were able to receive multiple¹ no-cost extensions that enabled us to continue providing needed technical assistance to USAID clients in the area of microfinance development in Mali.

The task order was implemented by BearingPoint Inc. (formerly know as Barents Group of KPMG Consulting, Inc.), as the prime contractor and Weidemann Associates, Inc., as the subcontractor, hereinafter to be referred to as the Barents/Weidemann team. The task order facilitated the smooth bridging of activities initiated by Weidemann Associates, Inc., under the Mali Task Order as part of the MicroServe IQC, and allowed USAID to continue its support to the nascent but fast-growing microfinance sector in Mali. The general objectives of the task order were to contribute to the strengthening of the legal and regulatory framework, expand financial sector deepening and institutional strengthening, and extend financial services in Mali to poor microentrepreneurs. The results described in this report are based on the Task Order Performance Monitoring Plan / Milestone Plan jointly developed with our Mali partners and approved by the Mission during the first quarter of program implementation.

Overall, the project achieved and surpassed initial targets. Demand for project services has been constantly increasing, indicating that the services offered are targeting the real needs of the microfinance sector at different levels. The Barents/Weidemann team was able to guide local partners, including the Ministry of Finance, Professional Association for Microfinance Practitioners (APIM) and select microfinance institutions, to foster partnerships with key donors. Partners also formed strong relationships with other players in the microfinance sector, including the legal and regulatory authorities and network associations at the international and regional

(West African) levels. Special emphasis was placed on assisting APIM in implementing key strategies developed under the MicroServe contract. Through this task order, the Barents/Weidemann team continued the implementation of microfinance training and information/communication strategies for APIM. These initiatives have benefited immensely from the project's ability to leverage funding from other donors, principally the World Bank and GTZ.

POLICY ANALYSIS/DIALOGUE

As the program comes to an end, APIM and the Ministry of Finance possess a broad but focused national and regional policy agenda. The regional policy agenda calls for further dialogue with the regulatory bodies and donors in the UMOA (Monetary Union of West Africa) region, leading towards joint implementation. One of the most strategic activities undertaken by the project to promote policy reform in the West Africa region was a regional workshop on “ Performance Standards for MFIs” that took place in Cotonou in June 2002. This regional workshop strengthened donor collaboration within the project as the BCEAO (Central Bank of West African States), APIM and the Consortium Alafia (a national network of MFIs in Benin) leveraged their donor funds to enhance the regulatory framework for MFIs in the region. The workshop resulted in a continued dialogue between microfinance practitioners and local and regional regulators on MFI financial reporting and in the adoption of a regional work plan that is jointly being implemented by the regional networks² in BCEAO member countries and the BCEAO Headquarters based in Dakar. These results represent remarkable progress toward the major objective pursued by the program that aims to contribute to the strengthening of the legal and regulatory framework for microfinance in Mali through enhanced policy dialogue between the microfinance network associations and the regulatory bodies.

The project also sponsored two studies focused on the potential for a ‘credit bureau’ for microfinance practitioners in Mali and the decentralized supervision of MFIs. The studies include suggested options that are currently under consideration by the Ministry of Finance and APIM. The Credit Bureau study recommends several options that would help promote

¹ Refer to annex #1- for details on no-cost extensions

² Consortium Alafia of Benin has been nominated by other regional networks to coordinate the implementation of the Performance Indicators for MFIs in the region.

transparency in the MFI's evaluation of applicants for credit through shared information on clients and other operations. The Study on Decentralized Supervision recommends that MFIs receive regular assessments that serve to identify problem areas, along with sustained technical assistance to foster best practices. The Ministry of Finance and APIM now have suggested strategies to assist them in making informed decisions as they embark on their plan to implement the Credit Bureau and the Decentralized Supervision Systems for MFIs in Mali. Supervision is the core function of the special unit established and housed within the Ministry of Finance (CAS/SFD) to foster close monitoring of the performance of both established and emerging MFIs in the country. The policy analysis studies have brought the Ministry and the professional association closer than ever to reach an agreement on a common agenda aimed at strengthening the microfinance sector in Mali.

FINANCIAL SECTOR DEEPENING, INSTITUTIONAL STRENGTHENING AND THE EXTENSION OF FINANCIAL SERVICES

The project showed significant progress in institutional strengthening of APIM through sustainable communication strategies, increased use of mass media, and the development of curriculum and materials for training microfinance specialists. A comprehensive strategy on information and communication for APIM and members that had been developed under Microserve IQC was successfully implemented under this contract both at the sector and MFI level. The successful implementation of the first and second annual "Microfinance Week sessions³" by APIM and its members is one of several achievements under this task order in the area of information and communication strategy for APIM. In addition, a training manual on 'microfinance marketing and communication strategy' has been developed as part of improving APIM's information and communication agenda with members. In the area of training, the project created fourteen microfinance training modules to be used to develop the skills of local microfinance specialists, thereby promoting sustainability beyond the project's close. The curriculum has been approved by APIM for use by its member organizations. The training of trainers sessions aiming to strengthen capacities of the selected local trainers will be

³ The first and second annual Microfinance week were held respectively in November 2001 and April 2003. No session was held in 2002 due to management changes that occurred within APIM's Board and Executive directorate.

implemented with support from the World Bank and GTZ⁴. It is anticipated that the training curricula developed under this project will be institutionalized in a joint training center for MFIs and banks under the leadership of APIM and APEBF.

Individual MFIs have benefited from practical training and field sessions on the identification of new products and exposure to global best practices in operations, management, business planning, internal controls, accounting, and training techniques. The project's client MFIs were encouraged to develop new financial and non-financial products including savings and credit products. New products were aimed at facilitating microfinance market growth by adopting strategies that foster competition, more diversified product offerings and a better response to client demand. Other areas of technical assistance have included the development of training materials and services that fully incorporate microfinance best practices along with developing local consultants' skill sets in promoting MFI institutional capacity building. The Barents/Weidemann team performed detailed studies on the management information system (MIS) needs of individual MFIs and an assessment of potential off-the-shelf software packages that resulted in the recommendation of the "best fit" accounting software. A thorough appraisal was conducted to determine the MFIs that would qualify for support on acquisition and implementation of the selected software. Soro Yiriwaso was the first and only MFI that received technical assistance and training on the identification, procurement, configuration and installation of SAF2000a specialized accounting software that can be adapted to meet the specific needs of MFIs. This investment by USAID will enhance transparency and speed in the production of annual reports required by donors and regulatory bodies. This pilot installation can be used as a model for future MIS installations in other individual MFIs or in the banks and at the national level in the form of a service bureau to provide on-site technical solutions to users in Mali.

The task order stands as a success model for technical assistance provision in Mali and in the region in the key areas of policy reform, institutional strengthening and financial deepening. An integrated approach that focuses on learning by doing, the dissemination of results that capitalizes on the experience of local partner organizations and the talents of local consultants

⁴ Refer to annex 1 for details.

have been the cornerstone of our success.

The program comes to an end with numerous outstanding challenges that must be addressed. A general lack of financial management capacity and transparency in the financial operations of the Malian MFIs continues to be a major source of concern for the Government, Central Bank of West Africa (BCEAO), APIM, donors, and the commercial banks, the principal source of capital funds for MFIs in 2001/02. There is shared concern by other stakeholders supporting the microfinance sector in the UMOA region that corruption and lack of information sharing could seriously hinder further progress in the microfinance sector. Therefore, the main focus of further investment in Mali and in the entire region should be promoting financial transparency. Coordinated efforts to enhance transparency will protect poor clients (along with donor and commercial funds) from unstable or corrupt MFIs and protect MFIs from unreliable clients with poor track records. Without a renewed focus on transparency and the reduction of corruption, all other efforts to deepen the financial sector, strengthen institutions and extend financial services will be in vain.

Other areas of priority should include:

- Investments to improve the regulatory bodies' management information systems (MIS), including the Ministry of Finance and the Central Bank, will address reporting discrepancies at the macro level of the sector. Investing in MIS at the MFIs level will address operational efficiency on data collection and transmission to ensure improved portfolio management;
- Investments in improvement of internal control systems, external audits and microfinance personnel staff development to promote best practices in accounting;
- The establishment of a viable credit bureau to facilitate sharing of information among MFIs and key stakeholders;
- A feasibility study to explore the different options for establishing an 'MIS Service Center' to provide timely MIS technical solutions.

The regulatory bodies (BCEAO and the Ministry of Finance), APIM and other stakeholders, including donors and commercial banks, recommend increased donor support to these important

areas that would promote further professionalization of the microfinance sector.

PROGRAM ACTIVITIES AND ACHIEVEMENTS

A. Summary

The Barents/Weidemann team worked throughout the year to encourage microfinance policy reform in Mali and in the region of West Africa. Key beneficiaries of technical assistance included the Cellule d'Appui et de Suivi des Systèmes Financiers Décentralisés (CAS/SFD) within the Ministry of Finance, APIM and several individual MFIs. We focused on improving microfinance legal and regulatory reform through policy dialogue with microfinance institutions (MFIs), BCEAO, the Government in Mali and donors. This was achieved through a combination of policy analyses and workshops both in Mali and at the regional level. We strengthened regional networks by linking APIM with other microfinance APEX associations and regulatory bodies at the regional level. We supported institutional strengthening of APIM through sustainable communication strategies, increased use of mass media, and curriculum development to train microfinance specialists.

Dissemination of microfinance best practices, donor coordination and resource leveraging are some of the key activities that have been conducted through this contract. The Barents/Weidemann team worked with its partners in Mali and abroad to bring a number of complex scopes of work to successful completion while aiming to exceed project deliverables and build local capacity. One principal achievement was the development of a strong cadre of local microfinance specialists, a significant step towards promoting sustainability of project initiatives. In the final year of the project, over 70% of the level of effort was provided by Malian nationals. This is a testament to the strengthening of local capabilities in microfinance. More than 16 Malian microfinance specialists and six experts from the West-African region contributed to the short-term technical assistance provided to project partners. It is expected that these consultants have developed the necessary skill sets to keep them in high demand within their own countries and abroad. In addition, the Barents/Weidemann Mali Office was staffed entirely by Malian personnel who were managed at a distance by the Chief of Party residing in Benin. This management arrangement led to an increased regional focus and extensive linkages between the two countries. The Malian staff has also had the opportunity to develop strong

project management skills keeping up with the day-to-day management activities of the project that have performed effectively from both a technical and operations standpoint.

B. Information and Communication

The organization and implementation of the first and second Annual Microfinance Week for APIM in November 2001 and April 2003 marked a big leap ahead in terms of implementation of the Information and Communication strategy that the project developed in mid-2001 under the Mali MicroServe Task Order. We conducted follow-on activities to the successful implementation of the first Microfinance Week as part of APIM's implementation of the Information and Communication (Info/Comm) strategy. Follow-on activities to the implementation of the second Microfinance week will be implemented under the new USAID microfinance strategy. Through strengthened linkages, APIM has taken the lead on creating a microfinance policy dialogue agenda with West African microfinance apex institutions, government agencies, BCEAO and the Government of Mali. This was achieved through a regional workshop on harmonized performance indicators for MFIs operating in the UMOA region held in Cotonou, Benin in June 2002. This successful initiative was organized and co-funded by APIM Mali, Consortium Alafia of Benin, BCEAO/MRDM Dakar with support from donors and donor projects operating in the region including USAID/Barents/Weidemann, World Bank/Benin and Mali, UNDP/Microstart Benin and GTZ. A region-wide list of performance indicators was discussed and adopted, followed by a work plan to support the application of these indicators at the country level by individual MFIs. This was the first joint policy change initiative for microfinance development conducted by regional microfinance apex associations and the regional Central Bank (BCEAO). Recommended next steps will involve supporting APIM and the Ministry of Finance to implement this regional work plan on performance indicators with BCEAO.

C. Donor Coordination and Other Partners

The program results were achieved with shared resources and constant consultation with other donors. Barents/Weidemann team worked very closely with its partners in Mali and abroad. Participants in project initiatives included USAID/Mali, GTZ/Mali and HQ, ILO Geneva/Tanzania, LUXMINT/Luxembourg, World Bank/PDSF/Mali, Consortium Alafia/Benin,

AFMIN, CGAP, the SEEP Network, and USAID/Washington. The project also promoted vertical linkages between APIM and other sector associations, principally the Association of Professional Bankers and Finance Establishments (APBEF) in Mali. The team worked closely with other regional players such as the USAID's Office of Microenterprise Development's regional microfinance office in Dakar, CGAP/CAPAF in Dakar, World Bank/Benin, the UNDP Microstart project and the regional African association of MFIs in Benin: ALAFIA and AFMIN. The program has also been instrumental in forging links between the MFIs and the formal financial sector in Mali and in the UMOA region. Stronger regional networks are now in place that will lead to a more robust microfinance policy dialogue with MFIs, BCEAO, and the government.

D. APIM and its Member MFIs

The principal client organization was APIM, the Professional Association of MFIs in Mali, which received technical assistance to help the organization gain a clearer, more coherent industry voice. The project supported APIM in its systematic efforts to implement and develop a strong strategic/business plan, refine its training strategy, and create an Info/Comm strategy. The implementation of selected strategic initiatives by APIM is particularly essential as the microfinance sector in Mali continues to grow rapidly, although it is still nascent and in need of consistent leadership. APIM is an APEX association and has a critical role to play in helping to define the norms for all microfinance practitioners and promote a more coherent and professional evolution of the sector. APIM operates as a representative of the microfinance industry in coordinating with the regulatory institutions whose policies can contribute substantially to the success of the sector.

E. Studies Performed Under the Project

The program contributed to creating a stronger base for microfinance in Mali through a combination of studies, consultations, and workshops that benefited individual MFIs and the larger MFI community. This was accomplished through bringing together key actors from both the policy and services levels, both locally and internationally, to share best practices in the microfinance sector. The studies (listed in detail in a following section) include two feasibility studies on a Credit Bureau and one paper on the possibility of decentralized supervision center.

They also included various diagnostic studies of MFIs conducted as part of training the institutions on business planning processes and new product development. The results of each study guided our operational plans and contributed to achievements in the areas of policy reform, financial sector deepening, institutional strengthening and the extension of financial services.

The Barents/Weidemann team worked with individual USAID-funded microfinance institutions (MFIs) to help them identify new financial products, improve their access to effective training materials and techniques, and fully incorporate microfinance best practices into their day-to-day operations. The project worked to improve MFIs' access to world-class technical assistance through funding teams of local and international specialists in MFI capacity building and MIS. This was achieved largely through the 'Business Planning Process' that involved learning by doing for MFI staff, guided by continuous technical input and targeted training from our consultants.

In accordance with the Performance Monitoring/Milestone Plan – PMP [October 2001-September 2002⁵] Barents/Weidemann team received approval from USAID/Mali to implement 15 scopes of work (SOW) that lead to the effective realization of program results. It is worth noting that, since the task order was extended several times [refer to annex], the implementation of some of the tasks continued beyond the original deadline of the approved PMP/Milestone plan to the end of November 2002. The Annex [PMP] provides details on specific objectives, tasks and the status of results achieved under this task order. Below is a brief summary of status and results achieved under this task order based on the approved SOWs:

1. *Business Planning Process Phase II:* Three MFIs were selected for technical assistance in developing market-oriented business plans. These included Sudu Diawdi-Bamako, Wouri Ansongo-Gao and Nianko-Kayes. Business plans for these MFIs were prepared and approved by the respective boards of these MFIs.
2. *Support to the CAS/SFD in Conducting External Audits of MFIs* –This task was not implemented due to a conflict between the Ministry of Finance and the Central Bank [BCEAO]. The Central Bank is considering taking over the external audit function as

- they believe that the Ministry lacks capacity to undertake this function. The Barents/Weidemann team could not support the Ministry in this initiative, as we wanted to have a final resolution of this conflict between the two authorities. Further support to the Ministry in this area will be implemented under the new USAID strategy when the outstanding issues between the Ministry and BCEAO are resolved.
3. *Performance Standards for MFIs – Bamako workshop*: Completed in April 2002
 4. *Performance Standards for MFIs – UMOA Regional Workshop*: Completed in June 2002 in Benin with funding from BCEAO, UNDP/Microstart, World Bank, Alafia Benin and APIM Mali.
 5. *MFI Refinancing Seminar*: Training materials in this area were developed; one course was conducted for 25 participants in Bamako in May 2002.
 6. *Credit Bureau Feasibility Study*: A draft report was produced and a workshop was held in Selingue, Mali to debate results in July 2002 with 46 participants representing the regulatory bodies, commercial banks, the Central Bank and donors. The final report and the action plan will be discussed in April 2003 as part of the microfinance week activities. Implementation of this action plan will be implemented under the new USAID strategy.
 7. *Decentralized Supervision Center for MFIs Feasibility Study*: The draft report has been produced proposing various options to be adopted by the Ministry of Finance and APIM. The final report and the action plan were discussed during the Microfinance week forum in April 2003 and the implementation will be under the new USAID strategy.
 8. *MFI Internal Audits/Controls Training*: The training curriculum on this topic was finalized and is part of the large microfinance training curriculum. One training session was effectively conducted involving 27 participants representing 19 individual MFIs and the APEX institution. A second training session is planned by APIM for April 2003 with funding from the World Bank. The same trainers and curricular developed with USAID support will be used during this and other future sessions to be organized by APIM.
 9. *APIM Training Strategy/MF training curriculum development*: A team of our

⁵ Refer to annex 3 for details of the PMP.

- consultants worked with 14 MFIs and APIM training coordinator to review and improve ten training modules developed by MFIs. In addition, we provided technical assistance to APIM/members to develop five new training modules. All together the project helped APIM to develop nineteen training modules for MFIs in Mali that will be institutionalized in common training center for banks and MFIs. A technical committee involving experts in training was actively involved in providing the technical assistance in the development of modules and the related protocols. A team of 22 local trainers mainly from local MFIs has been formed. Training of Trainers sessions to improve capacity of the selected trainers will be implemented under the new USAID project. Meanwhile, APIM is organizing the first session in April with support from the World Bank.
10. *MFI Training in Communication*: Training materials in this area were developed and form part of the training curriculum for microfinance.
 11. *Continuation of the APIM Info/Comm Training*: Under this deliverable, APIM designed a logo and developed its first brochures. On-the-job training was provided to the Executive Director to insure that he understands the key message to be incorporated in the brochure and the design of contents. A documentary film on activities of APIM members is underway and we recommend that it be finalized in the next phase of the program.
 12. *Training in Conducting Market Studies for MFIs*: Several sessions on this subject were implemented as part of training on business planning process with three project-supported MFIs. Additionally, targeted support was provided to Jemeni (one of the largest MFIs in Mali) on the design and implementation of a client-oriented market research study including the design of marketing research tools.
 13. *MIS Systems Software Evaluation*: This study was successfully completed under the task order leading to the final selection of the most appropriate software for MFIs in Mali. Barents/Weidemann evaluated 11 software packages. Of the highest rated software packages, SAF2000 by SYSDE was selected as a leading contender for Malian MFIs to use because it was already in use in Mali in French and was priced competitively.
 14. *Identification of MFIs for MIS Implementation*: Six MFIs including CANEF, Jigiyaso

- Ba, Nyesigiso, Kafo Jiginew, Piyeli and Soro Yiriwaso were assessed to determine the feasibility of supporting them with acquisition and installation of MIS / accounting software. Soro Yiriwaso was selected to receive assistance on acquisition, installation and operations of a management information system. Soro Yiriwaso selected the SAF2000 software. The SAF2000 software has been procured, configured to the MFIs requirements, and has been installed in the MFIs home office and four branches. Significant training efforts have been conducted to ensure that the system will be properly utilized and maintained. Soro was assisted with the acquisition and installation of the SAF2000 software and implementation is underway (refer to Annex 1 for status on implementation.) Funding for continued support for up to one year has been provided to Soro Yiriwaso. Further technical support can be provided to Soro under the new USAID strategy as required.
15. *Follow-up on the MFIs previously supported to develop business plans:* Soro Yiriwaso, CANEF, Jigiyaso Ba and Jemeni were assisted in updating their business plans under this task order. Our team developed market research tools and conducted a client oriented market study. This task was effectively completed and all the MFIs are now implementing their business plans.
16. *Business Plan Participant Training Manual:* This manual was produced as part of implementing the business planning process with MFIs and will enrich the training curriculum for MFIs developed as part of implementing APIMs training strategy.

ADDITIONAL ACTIVITIES APPROVED BY USAID

A. Software Evaluation

At the request of USAID Mali, we undertook an evaluation of additional accounting softwares available from a Canadian vendor. The report and findings of this evaluation were discussed with USAID, which led to the selection of SAF2000 as the software that more closely matched the needs of MFIs in Mali. A MIS action plan was prepared and implemented as explained in section one above.

B. Regional Workshop on Performance Indicators for MFIs

In June 2002, the project facilitated a regional workshop on harmonizing performance standards for regional MFIs jointly sponsored by ALAFIA (Benin MFI network) and APIM (Malian APEX network). The workshop was held in Cotonou, Benin and attended by representatives of MFIs from Togo, Senegal, Cote d'Ivoire, Mali, Niger, Benin, Burkina Faso. The initial Performance Indicators Study was carried out by three Barents/Weidemann consultants and presented to the MFI representatives on the first day of the workshop. The representatives then broke into smaller workgroups to discuss revisions to the performance indicators currently in practice. After hours of both group and general discussion, the workshop attendees came to agreement on the indicators and formally adopted the recommendations. Participants also developed a work plan for the dissemination and implementation of the indicators at the national and local levels. The validated performance indicators and work plan were presented to the Central Bank (BCEAO) in Dakar, Senegal in August 2002, and are scheduled for implementation by the Ministries of Finance and APEX institutions in each member country. Alafia Benin has been selected by other regional MFIs to coordinate the implementation of the regional action plan on Performance Standards for MFIs in the UMOA region.

This type of regional collaboration was made possible through promoting “buy in” from multiple donor organizations and other regional stakeholders. This successful initiative was organized and co-funded by APIM Mali, Consortium Alafia of Benin, BCEAO/MRDM Dakar with support from donors and donor projects operating in the region including USAID/Barents/Weidemann, World Bank/Benin and Mali, UNDP/Microstart Benin and GTZ. Through leveraging donor funds, the Barents/Weidemann project reduced the total funding burden for USAID while encouraging donor coordination of microfinance issues on a regional level.

LESSONS LEARNED

One of the most important lessons learned in this task order is the importance of moving microfinance policy reform from the national to the regional level. By engaging regional participants in the UMOA region, the project has been able to increase the relevance of the issues surrounding microfinance policy as well as garner the support, political will and cooperation of

the main stakeholders. An illustration of this case in point can be readily seen in the example of the Benin regional workshop. While the impetus for the workshop came from a scope of work developed under the Barents/Weidemann task order, the concept quickly gained consensus and became a priority task to improve MFI performance for BCEAO/MRDM, Consortium Alafia and APIM. In a matter of a few weeks, the workshop moved from the planning and development stage to implementation.

Furthermore, the importance of BCEAO leadership is vital to promoting project initiatives on a regional level. The identification and selection of performance indicators for MFIs in the UMOA region represented a major advancement. This uniformity will help move the sector forward and provide it with stronger links to the more formal financial sector. Working with BCEAO results in increased legitimacy for APIM and Consortium Alafia as leaders of the MFI groups in Mali and Benin, respectively. It has also broadened and strengthened USAID/Mali's role as a model for microfinance development in West Africa.

The recent push by BCEAO to incorporate performance indicators in the evaluation of MFIs holds the promise for improvements in safety for depositors and will raise investors confidence including donors, financial institutions and private investment firms with interest to invest in microfinance development. Doing this on a regional scale extends the benefits to more depositors and improvements will likely occur more rapidly than if implemented country-by-country. While the potential benefits are large, regional coordination requires extra time and effort to keep all informed and the communication flowing. In this case, we believe the benefits far exceed the extra efforts. Persistence is also integral to achieving results.

Microfinance in the Malian and West African environment can achieve impressive economic benefits, particularly for the poor and for poor women.

Other important lessons are as follows:

- Microfinance can be a critical element of an effective poverty reduction strategy. Improved access and efficient provision of savings, credit, and insurance facilities in particular can enable the poor to stabilize consumption, manage risks better, gradually build assets, develop microenterprises, enhance income earning capacity, and enjoy an

improved quality of life. Microfinance services can also contribute to the improvement of resource allocation, development of markets, and adoption of better technology. Therefore, microfinance helps to promote economic growth and development.

- Building the permanent institutional capacity of financial intermediaries to serve microenterprises is more important than simply disbursing loans to microenterprises. Microfinance can contribute to the development of the overall financial system through the integration of financial markets. Strong retail institutions committed to outreach and sustainability are essential for extending the permanent reach of financial services and to have a significant poverty reduction. Thus, building the capacity of institutions with a commitment to reach the poor is vital.
- The economic viability of financial institutions that serve microentrepreneurs is key to their long-term sustainability. Subsidized approaches have damaged the economic performance of financial institutions; market-driven approaches are critical to foster an industry with growth potential.
- Microfinance services are significantly improved when unregulated financial institutions graduate to become regulated intermediaries that are able to leverage their capital base in financial markets.

RECOMMENDATIONS FOR NEXT STEPS

A milestone plan was developed in close coordination with our local partners (Ministry of Finance, APIM and selected MFIs) and later approved by the Mission. This milestone plan has been the basis for our performance evaluation. Overall, we have exceeded requirements under this task order in terms of the quality and quantity of our deliverables. This resulted in a continuous demand for technical services in diverse areas related to microfinance development in Mali. As the program comes to an end, USAID is also in the process of launching a new strategy on financial sector strengthening in Mali. We have tasks initiated under this task order that will need continued support in a consistent manner. We recommend that the USAID Mission in Mali

consider maintaining the same operational strategy of support for the development of microfinance in Mali in order to ensure the smooth merging of current program activities with the new USAID strategy and facilitate consistency of approaches at this early stage of microfinance development in the country.

CONCLUSIONS

USAID Mali's investments in the microfinance sector over the course of the past years through MicroServe and more recently through the Segir GBTI Barents/Weidemann contract have established the Agency as a leading donor providing support to the microfinance sector in Mali. USAID investments have been leveraged with other international donor funding through this technical umbrella support contract and have nurtured the microfinance field from a handful of nonprofit organizations to a nascent and fledgling microfinance sector. As the microfinance sector in Mali becomes more diverse, the market is also becoming more competitive and microfinance institutions are becoming more client-focused, diversifying their products and services in order to remain viable in the marketplace. Meanwhile, regulators in the country and across the UMOA region are taking note of the economic significance and potential of the microfinance sector. USAID Mali faces an unprecedented opportunity to consolidate the fledgling microfinance sector in Mali. The key to capitalizing on this opportunity will be to continue its technical support to the sector by facilitating synergistic relationships expanding local capacity and extending that capacity throughout the sector.

While the project achieved significant advances in the following major areas, the Agency must continue to prioritize this work in order to generate sustainable gains for the Malian microfinance sector:

Deepening Legal and Regulatory Reform: In Mali, significant progress has been made in broad macroeconomic and regulatory reform. The challenge now is to assist supervisory authorities in devising appropriate regulatory frameworks for microlending institutions and promoting reforms in property rights, labor, and capital markets with a specific eye to improving conditions for microenterprise growth. The Barents/Weidemann team's work with BCEAO and CAS/SFD are

important steps to achieve these needed reforms. Greater MFI supervision and better auditing practices of MFIs are needed to combat fraud and abuse.

Expanding the Frontier and Coverage of Financial Intermediaries: The expansion and diversification of financial services continues to be a major challenge especially towards larger microenterprises. Upgrading the decentralized financial institutions, helping formal financial institutions reach out and down to smaller clients, and promoting competition in microfinance are the key tasks in our program strategy.

Upgrading the Quality of Business Development Services: Microentrepreneurs also lack access to business development services (BDS), including marketing, training in basic business skills (such as bookkeeping) and access to technology. To advance in the evaluation and establishment of best practices, we will encourage our partner institutions to adopt demand-driven principles, rather than compulsory or credit-linked methods. Product differentiation and cost recovery mechanisms in BDS need to be encouraged to promote sustainability.

These combined efforts will ensure the Agency's continued leadership in building the capacity of MFIs and of MFI trade associations and networks. As the leader in a field marked by a nascent microfinance sector with enormous untapped potential, USAID, through its continued technical support to the microfinance sector, stands a strong chance to achieve broader coverage, reach poorer and under-served segments of the population, and move toward greater financial sustainability. We commend USAID Mali for developing comprehensive strategy on 'Financial Sector Strengthening in Mali' that responds well to our progressive recommendations throughout the implementation of Mali MF umbrella technical assistance program. If well implemented, we believe the new strategy will advance the work in progress and reach majority of the poor population in the country.

ANNEX 1

Summary of Multiple No-cost Extensions – (December 02-July 2003)

Our cost-sharing approach has enabled us to leverage USAID funds by 1:3 during the current contract. As a result, we were able to achieve and surpass the required program results on time while spending less funds compared to what was originally estimated. At the end of the official end date of this task order (November 31st, 2002), our burn rate was approximately 80%. On this basis, the first no-cost extension was solicited and approved that enabled us to continue providing the most needed technical assistance to USAID client in the area of MF development in Mali. During this period, we continued co-funding activities with other donors mainly the WB and GTZ and also initiated a new element of soliciting in-kind contribution from the clients. This approach raised our resource leverage ratio and resulted to a balance of funds that enabled us to obtain a second no-cost extension to the end of December 2002.

During the month of November 2002, our Technical Coordinator/Chief of Party, Ms. Zahia LOLILA-Ramin, lead discussions with APIM and the Ministry of Finance to brief them on the new strategy being initiated by the Mission in Mali for the next ten years in the field of financial sector strengthening. One important issue raised by these key clients was the sustainability of the current initiatives that are being implemented with USAID resources and the linkage between the current program and the new strategy. They emphasized on the need for continuity as the basis for program sustainability. We share this view.

Achieved results during the first no-cost extension period (November 2002)

A list of critical activities were implemented during this period are elaborated below:

1. Jemeni marketing plan and communication strategy including staff training on marketing techniques was effectively completed. Through our resource-sharing approach with clients, we were able to obtain matching resources from Jemeni to effectively translate their market study (conducted with our technical assistance) to a marketing plan with a comprehensive communication strategy.

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2. Validation workshops were effectively conducted at 3 MFIs that we had helped to develop their market oriented business plans. MFI staff and board members now understand the critical role of a business plan as a day-to-day management tool.
3. Installation of MIS [SAF2000 software] for Soro including initial staff training was effectively achieved.

Activities being implemented under the next no-cost extension (December, 2002)

1. Continued training to Soro staff on data migration and production including minor technical solutions. More time is requested to provide further training and on-site technical solutions during the first few months of software implementation. This will involve helping Soro staff input data continuously and produce annual financial reports as requested by BCEAO and USAID. The initial training with Soro staff indicated that at least five months will be required to insure that Soro staff understand and can effectively implement the installed software. We also need to coordinate the work of the local service provider that Soro has engaged in order to insure technical consistency and the quality of data.
2. Donor coordination and technical guidance to APIM and the Ministry of Finance (CAS/SFD) in the process of preparing and implementing the MF National Consultative Group Meeting to be held in December under the chairmanship of the Ministry of Finance. We are assisting CAS/SFD and APIM to include critical policy issues in the agenda for this important meeting with donors and other actors. One issue that we identified and had it included in the agenda is the need to conduct an evaluation of the National Microfinance Strategy/Action Plan and, on that basis, debate the contents and budget for second National Strategy/Action Plan. It is worth noting that the current national strategy/action plan ended this year in June and a budgetary evaluation was conducted during July/September with funding from the World Bank.

Activities being implemented during the next no-cost extension (January-July 2003)

1. As part of the 2nd Annual Microfinance Week, implement a national workshop to validate the results of two studies on a Credit Bureau and a Supervision Center with the Ministry

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of Finance, BCEAO and APIM. The contents of the first draft report and work plan were debated in a national workshop in Selingue with the Government, the Central Bank, APIM/members, banks and donors. It was recommended that a work plan be revised and discussed in another forum with regulatory bodies to insure consistency with the MF legislation in force. The Ministry of Finance and APIM just informed us that this forum will be combined with a week-long event (Second Microfinance Week for APIM) to be held in January 2003. The World Bank and GTZ will provide the majority of funds for the MF week event, while USAID resources will facilitate the participation of the two lead consultants who worked on the studies and also support some operational costs of the workshop, in particular travel expenses for APIM members. This activity was conducted between April 15-18, 2003. World Bank and GTZ will co-fund this activity with us. We were able to convince APIM to conduct two validation sessions during this week. The feasibility studies on Credit Bureau and Common Inspection center will be conducted respectively on April 16 and 17, 2003.

2. Conduct a Training of Trainers workshop as part of Microfinance curriculum development process for APIM's training centre. This initiative is being implemented jointly with other donors mainly the World Bank and GTZ. We had committed to fund the development of training materials and a training of trainers workshop while other donors focused on other areas mainly equipment and buildings. Weidemann will fund the travel expenses and consulting fees of the international consultant who will lead the workshop. Materials have been effectively developed with the MFIs and course planning will be coordinated once the trainers are trained. This activity has been delayed by APIM due to the absence of the microfinance coordinator of the World Bank project. As such it will not be conducted in April as planned before. We were not able to participate in the co-funding arrangement with other donors beyond April 30, 2003. It is possible that APIM will not be able to implement this activity before end of this program in May.
3. Validate the Business Plans of 3 MFIs: Nianko Kayes; Wouri Asonogo; and Sudu Diawdi. Weidemann will cover the consultant fees of one international and one local consultant who will travel to each of the MFI branches to meet with management staff

and receive final comments along with acceptance of the business plans, putting them in final form. This process is vital to putting the business plans into action rather than having them “sit on a shelf.” This activity was successfully implemented during the first quarter of this year. All the business plans were prepared, reviewed and approved by the respective boards of microfinance institutions. Final reports have been produced.

4. Prepare the operational plan with BCEAO (headquartered in Dakar) on performance standards for MFIs as a follow-up to the joint work plan developed during the Benin workshop in June. BCEAO intends to issue instructions to the member states of UMOA (West Africa) during the first quarter of 2003 that will lead to drafting national legislation to improve MFIs’ overall financial performance. This is a major achievement of our program in the area of legal and regulatory policy change with BCEAO/Government of Mali. Weidemann will fund the travel expenses and cover the fees for an international consultant to travel to Dakar to work directly with BCEAO in preparing the operational plan. The mission to Dakar was organized and conducted by the Executive Director of Alafia with funding from the World Bank Benin. No funding for this activity was charged from the project as this would have been a duplication of effort. Alafia has been nominated by other MFIs as the regional coordinator of the implementation of the action plan on the Performance Standards for MFIs in the UMOA region.

5. Assist the Ministry of Finance to develop a technically sound scope of work for consultants who will conduct an evaluation of the MF National Strategy/Action Plan. Upon the request from APIM and the Ministry of finance, we will work with the GTZ Technical Coordinator to prepare this important document for review by other donors and key stakeholders. This request was made in recognition of the role that USAID has played as a leader in the implementation of this action plan through several contracts in Mali (Weidemann-Microserve and Barents/Weidemann – Segir). The scope of work was drafted and circulated for comments by all members of the Consultative Group for Microfinance. The final version will be issued by the Ministry of Finance CAS/SFD. Unfortunately, we will not be able to co-fund this activity since it may not be conducted before April 30, 2003.

6. Continue minimal technical support and staff training to Soro staff on SAF2000 to facilitate initial annual report production. Facilitate “sign off” of our technical support on the part of Soro in terms of their view of the success or failure of the software installation and implementation process. Once the sign off is received, our involvement as technical assistance providers will end and the local technical solution provider will take over this role. We hope to have this process finalized by July 2003. System perfection and staff training on SAF2000 is ongoing. There were two problems that occurred in the process of implementation and solution which contributed to the delayed completion of this task. The first is the synchronization issue: the branches database could be synchronized except the one of Kolondieba branch. Sysde who is the company that developed the software SAF2000 has sent several instructions to correct the situation without success. Finally they have decided to modify the software to meet the specific requirements of Soro Yiriwaso. A new version that will correct all the errors noticed in this area, is expected to be ready and delivered to Soro by the end of April. The second problem is on the line of credits. This is actually the only microfinance product that Soro has. It appears that the actual version of SAF2000 doesn't work properly with this product. Initially, we found that it was not possible to proceed with partial or advance reimbursement. After a while we discovered unpleasantly that when proceeding with a normal reimbursement, the system generates incomplete transactions in the compatibility module. Sysde is fixing these problems in the new version being developed for Soro that will be delivered in April 2003. Refer to the annex for a detailed account on the implementation and status of MIS task with Soro Yiriwaso.

Annex 2

PRINCIPAL EVENTS DURING THE MIS IMPLEMENTATION AT SORO YIRIWASO

The following describes significant events and issues surrounding implementation of a management information system for Soro Yiriwaso in Mali, from the time the software decision was made by Soro Yiriwaso to the present.

Summary

SAF2000 is a highly capable management information system that was successfully installed in Soro Yiriwaso in a relatively short period. Despite limited experience with this level of information systems, Soro Yiriwaso staff was trained and able to use the system for daily processing needs. The system will provide all the data processing functionality and capacity Soro Yiriwaso is anticipated to need for many years.

Weidemann Associates and the trained local consultants are anxious to resolve the remaining issues about the SAF2000 system and see that Soro Yiriwaso has a fully functioning information system to support its growth and extension of financial services to their clients in Mali.

There exist some unfinished adjustments to the system in the line of credit module. When a group makes a normal payment at the due date the system generates unbalanced entries. It is possible for individual loans to be processed in the system, including early or partial payments. Soro Yiriwaso wants the option of allowing and tracking individual payments within the group, not necessarily on the due date and to be able to proceed with partial payments. SYSDE has accepted to provide a system rebuild, which the company anticipates to be delivered with a system rebuild in early April.

Some complications during install and configuration were caused by modification by Soro Yiriwaso and their advisors of the configuration worksheets provided by SYSDE and Weidemann Associates. This problem was overcome with extra effort. Some operations problems developed because of improper operations by users, some of which are untrained and not part of Soro Yiriwaso. One problem was apparently created when a database replication at Kolondieba was interrupted by a power interruption, and the Uninterrupted Power Source (UPS) failed. SYSDE and the local consultants are continuing to develop procedures to correct this problem.

Trained support personnel are now available in Mali to help Soro Yiriwaso, and funding is provided for extended local support and for version upgrade and software repair.

Installing a new management information system is always a traumatic process. It takes time for users to become familiar with the new system and perform with confidence all of the many types of transactions required in a business, and especially in a financial services business. Some concerns remain that branch managers and accountants will be able to process all the types of daily transactions with little or no help, perform daily closings, perform weekly or more frequent

backups, conduct the replication (uploading branch office data to the central server) and review reports and make correcting entries.

Installation and Configuration

After a prolonged period of evaluation and decision-making, Soro Yiriwaso, with the support of Save the Children, decided to acquire the software SAF2000 written by SYSDE of Costa Rica. This decision was finalized in June of 2002. Weidemann Associates was tasked to provide technical assistance for installation and training of Soro Yiriwaso staff.

In August of 2002 a 2-week workshop was held in the United States to establish the specific configuration of SAF2000 for Soro Yiriwaso, and to train how SAF2000 would be configured, installed and operated in Mali. Participating in those sessions were Juan Carlos Porras from SYSDE, Mr. Adama Camara of Soro Yiriwaso, Jean Kodio and Issa Kasambra, Malian information system specialists working under the direction of Weidemann Associates, and Yolanda Hodge and Poonam Jagga from Weidemann Associates. After that workshop, Weidemann Associates made an initial installation and configuration of the operating system (Windows 2000 Server), database software (Microsoft SQL Server) and SAF2000 software on the two servers to be supplied to Soro Yiriwaso. The system was tested and functioned properly with a limited amount of test data. The servers were then shipped to Mali.

Before the US workshop, SYSDE and Weidemann Associates provided to Soro Yiriwaso detailed configuration worksheets. These worksheets were structured so Soro Yiriwaso staff could record the detail about their company, and its products, policies and procedures. This information is required to build the specific products and activities in the final install of SAF2000.

In September and October of 2002 the SAF2000 system was put into place in Soro Yiriwaso's offices in Bougouni, the SAF2000 software configured specific to Soro Yiriwaso products and procedures and tested with live data from August 31, 2002. Soro Yiriwaso staff was trained in the operation of the software. The side box on the next page describes in more detail what was installed and configured as of October 7.

The following items were delivered to Soro Yiriwaso:

1. Software SAF2000
2. Software Operating System Microsoft Windows 2000, with 10 client access licenses.
3. Software Microsoft SQL Server with 10 client access licenses
4. Hardware: 2 Dell servers sized for the current and expected needs of Soro Yiriwaso over the next three plus years.
5. Installation and configuration of SAF2000.
6. Training for headquarters and branch staff of Soro Yiriwaso.
7. Technical support to reconfigure the hardware that was incorrectly configured by the User.
8. Technical support for system operations.
9. Funding for continued local support (in process).
10. Version upgrade and software repair through December 31, 2003 (in process).

On October 18, Soro Yiriwaso provided a partial signoff covering the installation and initial operation of SAF2000 with September data.

Ongoing support

Weidemann Associates discussed with Soro Yiriwaso that funds would be allocated so that Soro Yiriwaso could hire local consultants to provide continued technical support. The funds provided were estimated to provide a year of technical assistance, or a longer period if Soro Yiriwaso used the consultants less frequently than anticipated. Soro Yiriwaso can select which consultants to use, but the Malian consultants trained and used by Weidemann Associates should provide the best option for Soro Yiriwaso. The specific terms of the support agreement will be negotiated between Soro Yiriwaso and the consultants they select.

In addition, Weidemann Associates with SYSDE support will provide version upgrade and software repair support through December of 2003 for Soro Yiriwaso. Beyond that period Soro Yiriwaso will be responsible to pay for that support from their funds.

Items That Made the Progress Possible

SAF2000 is a complex management information system that was configured and installed and successfully operated in less than one month, a significant accomplishment. That happened because:

1. A commitment by the users to migrate to the new system as they were inundated with the manual process.
2. Save the Children staff participating in the data entry and data cleansing process and full cooperation to work extra hours by nearly all involved.
3. Timely acquisition and set up of hardware and other infrastructure set up including network

Summary of Activities During Install, Configure and Test for SAF2000 during September and October, 2002

1. Customer, savings and loan product data was **validated and revalidated**, because the data received from the users had many errors rising from manual preparation of the data.
2. Accounting Balances prepared by the users. This was not ready as the users decided to restructure the chart of accounts during the implementation reflecting the addition and elimination of branches. The reconfigured data was loaded on the new system.
3. Month end closing process was successfully performed.
4. Reports to check on account balances were generated for verification and validation of data. Outcome was successful.
5. Users were trained on using all modules of the system. Training in the use of reports included how to access and use a few of the many standard reports contained in SAF2000. Soro Yiriwaso staff at that time was not able to select the specific reports they wished to use, or determine if custom reports were needed.
6. Users sign off on elements of the new system, specifically:
 - Establishment of Customer, Loan, Savings modules parameters.
 - Establishment of Accounting Balances.
 - Month end closing.
 - Verified the availability of reports and the general ledger chart of accounts.
7. September data
 - Branch Managers began keying in data for the month of September directly into the new system after intensive training.
 - Daily closings were performed successfully.
 - Reports were generated from the new system by each of the Branch Managers.

configuration in the main branch.

4. Availability of Weidemann Associates personnel and local consultants to provide most of the system and parameters configuration.
5. Availability of Soro Yiriwaso's Director to work with the Local Consultants to define parameters and to encourage extra effort to clean and enter the data.
6. One on one training for each of the Branch Managers

Delays and Problem Areas

All management information systems of the size and complexity of SAF2000 experience problems, adjustments in the process, and often delays. Here is a description of the problems encountered during the installation of SAF2000 at Soro Yiriwaso and that were overcome.

1. Data transfer/migration
 - Data was manually prepared for each branch but was not ready until October 5, 2002. The original agreement was that all the data was to be ready by September 15, 2002.
 - There was confusion with regards to the format of the data that the new system is expecting. The template provided by SYSDE/Weidemann Associates and delivered and explained by the local consultants to Soro Yiriwaso staff was not used, but instead Soro Yiriwaso upon suggestion by others created a new template. There were several fields that were missing in the revised template. Templates had to be recreated and the users had to go back to each branch to obtain the required data.
2. Environment and hardware configuration
 - The client took ownership of this process however the incorrect operating system and other software was installed on the computer. Weidemann Associates with the local consultants proceeded with the reinstall with the correct operating system.
 - A synchronization (equalizing the branch database with the central server database) problem developed when a non-trained user who is not employed by Soro Yiriwaso proceeded with a premature closure of the accounting for the branch of Ouelessebouyou. After that the synchronization was not possible with the main server. Soro had to bring Ouelessebouyou's server to Bamako and the local consultant resolved this issue with support from SYSDE
 - The UPS setup and testing was the responsibility of Soro Yiriwaso. It is not known to Weidemann Associates why it failed.
3. Data validation and cleansing
 - Data validation took at least 4 extra days due to manual entries by each individual branch. Many errors were discovered that needed correction before correct data processing could occur.
 - Reorganization of Soro Yiriwaso during the install caused a delay as data from two branches had to be combined, one branch closed and another branch created.
4. Schedule implications
 - Branch Managers were not always available to work on the system when needed.
 - Users stopped processing operations in their current manual system for the whole month of September.
 - Getting users familiar and comfortable with the new system always takes extra effort and time.
5. Reports

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- Soro Yiriwaso was not able to define the reporting requirements at the time of implementation. As of October 7, Soro Yiriwaso had not reviewed the reports generated by their old system and compared those reports with the standard list of reports available in SAF2000. Because of that Weidemann Associates and the local consultants were able to provide generalized training on how to obtain and system reports, but not specific training on reports desired by Soro Yiriwaso.

Remaining Issues to be Solved

As of March 1 there were three outstanding issues in the application of SAF2000 in Soro Yiriwaso. One has since been resolved, two other remain, as described below.

1. The line of credit does not work properly.⁶ This issue is being addressed by SYSDE and a solution was initially scheduled to be delivered by SYSDE by the end of March. SYSDE now says early April is more likely. This modification arises from a misunderstanding of the specifications of SAF2000 to be configured for Soro Yiriwaso. The line of credit is a group loan. SAF2000 software has a built-in group loan product. Soro Yiriwaso claims that during the configuration sessions in the United States they requested and SYSDE accepted to modify their group loan product to allow ial or early payments using the line of credit module. The SYSDE implementation is not working properly. Specifically with normal payment at due date, the3 system generates unbalanced entries. It is not possible to proceed with partial or early payments using this module, yet it is possible to proceed with them as individual loans.
2. Data corrupted in the replication process. Power failure occurred during a replication process on the main server. The UPS did not work. After the power was restored, the local consultant noticed that the replication was not working for one branch, Kolondieba. Attempts to correct this problem by the local consultants with the suggestions from SYSDE have not been successful. In cooperation with local consultants SYSDE continues to suggest ways to correct this problem.

The outstanding issue that has been resolved involved the configuration of a standard SAF2000 report that was not presenting data in a format that is required by Soro Yiriwaso. SYSDE provided a fix to the local consultants who produced with Soro Yiriwaso the needed report. This issue is considered closed.

Sysde was not able to provide the required fixes to the software by the promised April 30 date. The company added resources and a software patch was provided for testing to the Barents/Weidemann support specialist in Mali on about May 21. As of this writing testing of the patch is underway and if the tests are successful they may be installed as soon as the first week of June in Soro facilities.

⁶ With a normal payment of a group loan at due date or with partial or early payments the system generates unbalanced entries. It is possible to process loans as individual, including partial or early payments.

ANNEX 3

PERFORMANCE MONITORING PLAN

IMPLEMENTATION/MILESTONE PLAN OCTOBER 2001-MAY 2003

Results	Requirements	TASKS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	QUARTER 5	QUARTER 6	QUARTER 7
R1. Microfinance supervision improved	Req _{1,1} Microfinance best practices disseminated	T₁: Microfinance week, planned and implemented	XXXXXXXX						XXXXX
		Activities:							
		• MF week planned	XXX						
		• MF week implemented	XXX						
		• MF Week report produced and disseminated	XXX	XXX					
		• Follow-up Info/Comm activities underway	XXX	XXX	XXX	XXX			XXXXX ⁷
		T₂: Two thematic work shops planned and implemented		XXXXXXXX	XXXXXX				
		Activities:							
		• Workshop topics selected and implemented:							
		1. Performance measurement indicators for MFIs (Mali)		XXX	XXX				
		2. Regional workshop on Performance measurement indicators for MFIs							
		• Donor funding requested from GTZ, World Bank/Benin, WB/PDSF – Mali, CGAP, USAID/MD, UNDP/Microstart		XXX	XXX	XXXXX			XXXXX ⁸

⁷ Microfinance week event involves multi media programmes as part of publicity campaign for APIM and the Government to promote microfinance sector in Mali.

⁸ Restitutions for Credit Bureau study and Inspection Center for MFIs will be conducted in April 2003 as part of microfinance week organized by APIM with co-funding from the World Bank, GTZ and USAID Mali.

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		TASKS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	QUARTER 5	QUARTER 6	QUARTER 7
Results	Requirements								
R4. APIM's Capacity to Provide Services to the Microfinance Sector Increased	Req4.1 A program to support APIM in the development of microfinance industry standards and appropriate support systems recommended	T₉. The process to support APIM in the improvement / Development of MF's standards and support systems initiated.	XXXXX	XXXXX	XXXXX	XXXXXX			
		T₁₀. Improved MF standards disseminated by APIM and discussed with authorities (CAS/SFD, BCEAO...) and MFIs			XXXXX	XXXXXX			
		T₁₁. Feasibility study of credit bureau conducted				XXXXXX			
		T₁₂. Feasibility study of the MFI rating systems conducted				XXXXXX			
R5. Individual MFIs Management System Upgraded for selected APIM members	Req5.1 Business plans for 4 other MFIs assessed and updated to make current	T₁₃. Follow-up of maxi 4 to update their BP conducted.	XXXXX	XXXXXX		XXXXX			
	Req5.2 Business plans for 3 MFIs developed	T₁₄ Three new MFIs assisted to develop their BP.		XXXXXX	XXXXXX	XXXXXX			
	Req5.3 MFIs' capacities for improved accounting increased	T₁₅ At least two financial analyses / accounting classes provided to MFIs - CAPAF/CGAP.			XXXXXX	XXXXXX			
	Req5.4 MFIs' capacities for improved internal controls increased	T₁₆ At least two classes on internal controls for MFI conducted (CAS/SFD)		XXXXX		XXXXXX			XXXXX ⁹

⁹ A course on internal audits for MFIs is planned in April 2003 and will be funded by the World Bank and GTZ based on the modules developed by USAID funds as part of curriculum development for MFIs in Mali.

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Results	Requirements	TASKS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	QUARTER 5	QUARTER 6	QUARTER 7
R5. Individual MFIs Management System Upgraded for selected APIM members	Req5.5 Market Analyses of MFIs conducted	T ₁₇ At least one class on market analyses and new product development.		XXXX X		XXXX XX			
		T ₁₈ At least two workshops conducted at MFI level on the market analyses and new products development (BPP).	XXXXX	XXXX X	XXXXX X	XXXX X			
	Req5.6 MFIs' capacities for use of Management Information System (MIS)	T ₁₉ Evaluation of one additional MF software (SAF 2000) conducted	XXXXX	XXXX X					
		T ₂₀ Feasibility study on MIS conducted at two MFIs (Kafo Jiginew and Nyesigiso) to determinate suitable soft ware for installation based on the results of study.		XXXX	XXXXX				
		T ₂₁ Technical assistance provided to two ¹⁰ MFIs on software acquisition installation, data migration and system upgrading.				XXXXX	XXXX	XXXX	XXXX

Results	Requirements	TASKS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	QUARTER 5	QUARTER 6	QUARTER 7
R6. Range of Financial Services Increased	Req6.1 New microfinance products developed and recommended for use	T ₁₇ At least one case on market analyses and new product development.		XXXXX		XXXXXX			
		T ₁₈ At least two workshops conducted at MFI level on the market analyses and new products development as part of business planning process (BPP).	XXXXX	XXXXX	XXXXXX	XXXXX			
		T ₂₂ MF best practices on new products development disseminated and discussed with MFIs, APIM and members.	>>>>>>	>>>>>>	>>>>>>	>>>>>>			>>>>> ¹¹

¹⁰ MIS installation was done for only one MFI – Soro Yiriwaso since other MFIs did not meet the selection criteria agreed upon.

¹¹ During the second microfinance week in April 2003, further concepts on microfinance best practices will be discussed with APIM and partners.

Annex 4
Reports Produced to Date/In Progress

Reports produced to date:

1. Curriculum Review, June-Sept 2001
2. National Guarantee Funds for MFIs
3. Mali Microfinance Week Report
4. Business Plan Training Manual
5. End of Project Report (Mali MicroServe)
6. Internal Audit Training Manual
7. CANEF Business Plan
8. Jigiyaso Ba Business Plan
9. GGLS (Soro) Business Plan
10. Business Plan Participant Training Manual
11. Curriculum Development Update
12. Midterm Progress Report –Barents/Weidemann Associates Inc.
13. SAF2000 Evaluation Report
14. Credit Bureau Feasibility Study
15. Supervision Center for MFIs Study
16. Woury Business Plan
17. Sudu Diawdi Business Plan
18. Nianko Business Plan
19. Jemeni Marketing Study
20. Performance Standards for MFIs – UMOA Regional Workshop & Bamako Workshop
21. End of Project Report –Barents/Weidemann Associates Inc. [This report IN May 2003]

ANNEX 5

Participant Training Information

Program Title	City and State in West Africa	Start Date M/D/Y	End Date M/D/Y	Total Number Participants	Number Female Participants	Name of Participants	Organization
Mali Microfinance Week	Bamako, Mali	Nov. 13, 2001	Nov. 16, 2001	153	20	(see workshop report)	(see workshop report)
Business Plan Training	Bamako, Mali	16 Mai 02	17 Mai 02	18	9	*	Woury, Ansongo; Sudu Diawdi, Bamako; Nianko, Kayes
Performance Standards for MFIs – Bamako workshop	Bamako, Mali	April 3, 2002	April 4, 2002	52	11	(see workshop report)	(see workshop report)
Performance Standards for MFIs – UMOA Regional Workshop	Cotonou, Benin	June 26, 2002	June 28, 2002	80	15	(see workshop report)	(see workshop report)
• MFI Refinancing	Bamako, Mali	May 29, 02	May 30, 2002	24	3	*	*
MFI Internal Controls	Bamako, Mali	May 6, 2002	May 10, 2002	24	5	*	*
<i>Training in Conducting Market Studies for MFIs: with Jemini</i>	Bamako, Mali	April 20, 2002		*	*	*	Jemini