MALI FINANCE

2005 – 2006 ANNUAL REPORT

NOVEMBER 3, 2006

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

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

Submitted by: Chemonics International Inc.
Contract No. 688-00-03-00069-00
November 3, 2006

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CONTENTS

Acronyms i
Executive Summary iii

Section 1. Context 1
1.1. Introduction 1
1.2. Project Management Approach 1
1.3. Technical Approach 2

Section 2. Results 8
2.1. Performance Management Plan and Results Framework 8
2.2. Data Reporting 10
2.3. Indicator Performance Results Reporting 10

Section 3. Current Year 45
3.1. Achievements 45
3.2. Challenges 49

Section 4. Outlook for 2006-2007 51
4.1. SO9 Collaboration 51
4.2. Strengthening of the Local NGOs 51
4.3. Emphasis on Northern Mali 51
4.4. Development Credit Authority 51
4.5. Government Interaction 52
4.6. U.S. Peace Corps 52
4.7. Rating for MFIs 52

Annex A. Summary of Performance A-1
Annex B. Year 3 Breakdown of Performance by Region B-1
Annex C. Cumulative Breakdown by Region of Performance C-1
Annex D. Performance Results from the New Consolidated PMP D-1
Annex E. DCA Program in Mali D-1
Annex F. OPIN IEHA Indictors F-1
Annex G. Intervention Sites by Region and Activities G-1
Annex H. Success Stories and Activity Descriptions H-1

ACRONYMS

ACOD	*Association Conseil pour le Développement Nyètaaso*
AEG	Accelerated economic growth
AFAR	*Action Pour la Formation et l'Autopromotion Rurale*
APIM	*Association Professionnelle des Institutions de Microfinance Mali*
AMRAD	*Association Malienne de Recherche Action Pour le Développement*
BDS	Business development services
BICIM	*Banque Internationale pour le Commerce et l'Industrie du Mali*
BMS	*Banque Malienne de Solidarité*
BNDA	*Banque Nationale de Développement Agricole*
BOA	Bank of Africa
BSIC	*Banque Sahelienne pour l'Industrie et le Commerce*
CAS/SFD	*Cellule d'Appui au Secteur des Structures Financières Décentralisées*
CMDT	*Compagnie Malienne de Textiles*
CNPI	*Centre National de Promotion d'Investissement*
CSV	*Crédit Stockage Vivrier*
CVECA	*Caisses Villageoises d'Épargne et de Crédit Autogérées*
DCA	Development Credit Authority
DOT	*Dourey Timbuktu* (microfinance institution in Timbuktu)
CFAF	Franc CFA
FCRMD	*Fédération des Caisses Rurales Mutualistes du Delta Niono*
GIS	Geographic information system
GRM	Government of the Republic of Mali
IFC	International Finance Corporation
IPA	Investment Promotion Agency
IR	Intermediate result
MFI	Microfinance institution
MIGA	Multilateral Investment Guarantee Agency (Part of the World Bank)
MSME	Micro, small, and medium-sized enterprise
NGO	Nongovernmental organization
ON	*Office du Niger*
PMP	Performance monitoring plan
PRODEPAM	*Programme de Développement de la Production Agricole au Mali*
SA	*Société anonyme*
SABA	*Solidarité pour l'Auto-Promotion à la Base*
SED	Small enterprise development
SME	Small and medium-sized enterprise

SO	Strategic objective
SO9	Accelerated Economic Growth Strategic Objective
STEP	*Stratégie et Techniques pour l'Envol des Petites Entreprises*
USAID	United States Agency for International Development

COVER PHOTO: Aicha Koné Sangaré, left, sells milk to a client from a store at her home in Koutiala. Her *Aicha Nono* milk-processing business expanded with the help of Mali Finance. Photo: Ben Frasier, Chemonics International.

EXECUTIVE SUMMARY

1. Results at Glance

Mali Finance aims to increase all Malines' access to finance by building the capacity of targeted agroentrepreneurs, traders, and business services providers to link with appropriate financial service providers. Activities are categorized under three sub-intermediate results: increasing the provision of business development services (BDS), investment opportunities, and access to financial services for all populations.

As a result of a good foundation set in the first two years and intensified integration with the two other USAID AEG projects during its third year, Mali Finance was able to broaden and deepen technical assistance to stakeholders in several commodity value chains.. As a result, considerable progress was made, as reflected in the project's performance monitoring plan (PMP) indicators: targets on 9 out of 11 indicators were achieved at 100 percent or more and the remaining 2 indictors reached 45 percent and 55 percent of their targets.

The integrated work on agricultural commodity value chains strengthened linkages between the supply of financial services and both rural and agroenterprise micro, small and medium enterprise (MSME) demand for financing. Lessons learned working with *Programme de Développement de la Production Agricole au Mali* (PRODEPAM) on production and TradeMali on marketing will be further developed in the coming year. A factor contributing to the good results was acceleration of a more sustainable and cost-effective approach to delivering BDS. Specifically, the project established partnerships with rural non-governmental organizations (NGOs) and the U.S. Peace Corps to deliver cost effective training to reach rural micro and small entrepreneurs.

On the high end investment promotion side, Mali Finance continued to work closely with the Multilateral Investment Guarantee Authority (MIGA), in conjunction with the Government of the Republic of Mali (GRM), to establish a new Investment Promotion Agency. The object of the IPA is to attract foreign direct investment into critical new commercial projects that will accelerate economic growth objectives, provide stable demand for value chain production, and compliment new Millennium Challenge Account initiatives.

To expand best practices at the microfinance institution level, we managed a grant from USAID/Mali to Planet Rating to rate six Malian microfinance institutions (MFIs) using global standards. Planet Rating also was asked to apply a social rating tool developed by the U.S. Agency for International Development's (USAID) microenterprise department. These ratings will provide international benchmarks that will help raise the country's MFIs to a new level of professionalism

2. Main Accomplishments

Mali Finance technical components design and carry out activities that ensure sustainable access to finance for MSMEs by providing business development services, creating better conditions for investments through policy and legal reforms, and supporting the availability

of microfinance services to entrepreneurs throughout the country. The year's main accomplishments in these activities follow.

Increase the Provision of Business Development Services

In order for financial institutions to understand the credit risks in a transaction and take a decision to lend, the borrower needs to be well organized and present a solid business plan. In its third year, Mali Finance doubled the level of business development services (BDS) provided in the last two years, achieving 105 percent of its target. The number of business development services purchased through partner BDS providers by entrepreneurs in targeted areas increased from 113 to 232.

The business development services are purchased primarily through two different mechanisms: private consultants and NGO service providers. In the first case, the client contracts with a private BDS provider to develop a business plan to obtain a loan, and pays for the service directly. In the second case, the agro entrepreneur or agro-cooperative contacts a Mali Finance partner NGO. A fee is required, calculated as a percentage of the total loan amount and paid by the client, with part of the cost subsidized by the project. The NGO also receives from the bank one percent of the interest when the loan is repaid. As the NGO increases its consulting business, its fee income will also grow replacing the project subsidy and potentially making this a sustainable activity.

We worked with more local NGOs in year three to provide a greater and more cost effective presence on the ground. This strategy enabled the three projects to align activities and improve outreach. Using NGOs to deliver BDS has proven effective, as 90 percent of our results were generated by partner NGOs. The system is working well, which is very encouraging for the coming year.

Increase Investment Opportunities

Large commodity value added investments, be they Malian or foreign direct investments, are critical to building commodity value chains. During the year, Mali Finance achieved 100 percent of its target by assisting three private promoters in structuring their agro-industry projects. The assisted the Bamako abattoir AFB in completing its business plan and cash flow analysis, and we are confident the investors will be able to access financing in Year 4. The other two businesses are commodity cold storage warehouses for potatoes in the Sikasso region. These businesses are expanding with technical inputs from PRODEPAM, TradeMali, and Mali Finance and are generating higher revenue.

At the policy level, Mali Finance continued activities to strengthen the government's capacity to promote investment opportunities. Milestone 1 tracked the nine activities in the initial development phase, which was completed in Year 3. Milestone 2 tracked the six activities in the development and installation phase, of which 45 percent was achieved in the third year.

Approval from the World Bank Source Growth project, which is underwriting the IPA salary expenses, was obtained in May 2006 after extended negotiations. Until that time, the

Ministry of Investment Promotion and Small and Medium Enterprises was not able to recruit the Chief Executive Officer (CEO) for the IPA, a position graded at higher than the standard civil servant salary scale, or other staff. Mali Finance was therefore unable to train staff, install computer networks and provide additional technical assistance. The General Secretary of the Ministry of Investment Promotion and Small and Medium Enterprises is taking steps to improve the project coordination, which should enable Mali Finance to complete its IPA activities during the next year.

Increase Access to Financial Services for all Populations

SME Lending

The project facilitated 40 loans provided to agro enterprises during the reporting period. Most of these bank loans were developed through our partner NGOs demonstrating the effectiveness of working with NGOs and nearly tripling the results of the first two years. We are expanding this strategy to all S09 NGOs, which will have a major impact in Year 4.

These loans, totaling 322 million CFAF ($644,000), were disbursed to 29 cooperatives and associations, five male entrepreneurs, and four female entrepreneurs. The loans funded the production, breeding, and marketing of cereals, livestock, small ruminants, potatoes, and other products. In addition, two investment projects (with SOMAFEM and SIGAZ) were realized in 2005 and 2006.

Microfinance Lending

The number of loans to entrepreneurs accessing credit through MFIs exceeded the target by 110 percent, increasing from 589 to 1,019. To increase access to financial services for all populations, Mali Finance worked primarily with two large Malian MFIs, Kafo Jiginew and Nyèsigiso.

The Kafo network added more than 17,000 members during the year and Nyèsigiso added more than 14,000. The Nyèsigiso network, which continues to expand, has realized a higher level of savings (12 percent) than average growth in the sector — an excellent result. Kafo maintained the same level of saving as last year, even though the cotton price dropped drastically. The project also assisted a number of small MFIs in northern Mali, especially Dourey Timbuktu (DOT) in Timbuktu, which distributed 95 loans.

Capacity building

Strengthening the capacity of financial institution representatives through training has enabled them to offer better services, thus increasing the number of MFI clients. When clients know that MFIs use financial criteria to make decisions, they adjust their behavior in response to their changed perception of their credit agent's professionalism. This leads to stronger relationships and trust. Better relationships are the best publicity for a financial institution, increasing the number of clients who register.

The basic strategy of the microfinance segment is to strengthen partner microfinance institutions in two ways:

- Strengthen credit operations, the heart of any financial institution. The project provides training to strengthen credit risk analysis through: improving basic accounting skills (in

Year 1 of the project) for the informal sector; improving skills in agricultural finance (in Years 1 and 2); and improving skills in short term agribusiness credit and SME finance (Year 3).

- Strengthen institutional capacity of microfinance institutions to ensure sound and sustainable growth through diversification. Product diversification helps limit revenue swings due to a excessive concentration of risk in the agricultural sector. Geographical diversification alleviates economic shocks and leads to complementarities. The project helped Nyesigiso develop a medium-term credit product in Office du Niger (Years 1 and 2) and provided their SME unit with appropriate credit analysis tools (Year 3). We helped Kafo Jiginew introduce an SME credit product (Year 3) and a housing credit product (Year 2). It is an on going process that these networks are pursuing in which the procedures and methodologies count more than just a new product.
- For the young microfinance institutions in the North's, Mali Finance provided a more basic type of assistance through a combination of technical assistance and grants. The objective was to ensure a minimum of equipment and management development was available to help them become mature microfinance institutions.

3. Collaboration with Partner Organizations

Peace Corp

In addition to the partnership with the U.S. Peace Corps' technical assistance for small enterprise development (SED) volunteers, an introductory training on enterprise development and the financial environment was provided for new volunteers. The results are starting to be seen, for example when the Gao SED volunteer identified 34 participants for Micro Plan training.

The World Bank and IFC

A partnership was developed with the World Bank's *Stratégie et Techniques pour l'Envol des Petites Entreprises* (STEP) program, which also has a BDS component. Efforts were made to collaborate and develop complementary activities, use lessons learned from our project, and avoid the creation of two parallel BDS programs in Mali.

Another World Bank project, the Agriculture Diversification and Competitiveness Project (ADCP), has a financial component. Mali Finance and Trade Mali were consulted on the design of this project. Since this project will hit the ground in October 2006, during the fourth year of Mali Finance we will help ADCP fully use our tools and work with our partner NGOs. Opportunities for collaboration, sharing resources, and training initiatives will be further developed during the coming year.

A World Bank project that started in 2006, the Growth Sources Project (GSP), will have a BDS component for small and medium-sized enterprises (SMEs) and a financial component with the International Finance Corporation (IFC). It has already adopted the accounting training module developed by Mali Finance — ComptEx. When the contractors are chosen, we will propose that they implement the same strategy as Mali Finance, Trade Mali, and PRODEPAM whenever possible.

Mali Finance also participated in an angel business network with an IFC program called Strengthening Grassroots Business Initiative putting together successful entrepreneurs and BDS providers to help start-up businesses grow.

4. New Consolidated Work Plan

PRODEPAM, TradeMali, and Mali Finance developed an integrated work plan for the period June 1, 2006 to July 31, 2007 based on guidance from USAID/Mali's accelerated economic growth (AEG) team.

- PRODEPAM (production) and TradeMali (marketing) identified value-added opportunities and marketing channels domestically, sub-regionally, and internationally, and new ways to exploit established channels.
- Mali Finance focused on financial intermediation in the following areas:
- Rural smallholders need capital in the proper amounts and at the proper time to invest in irrigation to ensure their future operations and procure the inputs, technology and farm equipment, and agricultural infrastructure needed to become more productive in existing value chains and to diversify and enter new value chains.
- Financing also is needed as they climb the value chain, for conditioning, transformation, stocking, and marketing.
- Timely, affordable financing facilitated by Mali Finance injects capital at critical moments to ensure actors can capitalize on opportunities.
- Scaling-up production and productivity, diversifying crops, adding value, and exploiting new markets, with an eye on profitability, ensures that agricultural revenues are increased.
- Thus, our agricultural sector clients have more disposable income for investment.

5. Opportunities

The ComptEx tool Mali Finance developed helped agro-entrepreneurs develop basic bookkeeping skills in Year 3. All partner NGOs will be trained in ComptEx in Year 4, which will increase their outreach to the cooperatives supported by PRODEPAM and TradeMali.

We will develop a new partnership with the *Banque Nationale de Développement Agricole* (BNDA) in Year 4 to further promote the expansion of businesses in Mali. While we will continue to work through our partner NGOs, selected regions will also benefit from a full-time BNDA employee assigned to increase access to finance from the only bank that is ready to finance agriculture sector MSMEs. It is a win-win as both the bank and businesses will gain new profitable markets.

The Ministry of Investment Promotion and Small and Medium Enterprises expected to be more active Year 4. Mali Finance is playing a key facilitative and advisory role in the creation and start-up of the new IPA, which will be critical in the government's efforts to attract essential foreign direct investment into private sector agricultural enterprises needed to build the future of Mali and its people.

We have introduced the globally accepted practice of conducting performance ratings for MFIs. In support of direct USAID activities and those of other donors, we are working to encourage major MFIs to participate in a rating exercise with Planet Finance. The exercise will help professionalize the microfinance sector and increase opportunities for attracting external financing needed by MFIs to expand their lending portfolios.

The northern region will remain a major emphasis, even though opportunities there continue to be limited. The fusion of the DOT and Nyèsigiso networks will probably not be realized in 2006 due to poor management and governance issues at the DOT. We will assist Nyèsigiso as it opens a branch in Timbuktu, which will provide our partners with increased access to finance in that strategic region.

Improved communications, success story writing, and case study development are a priority for the project to ensure that the impact and success of our efforts are known and shared by many, including our beneficiaries.

SECTION 1
Context

1.1. Introduction

Mali Finance is a USAID economic growth activity that began September 1, 2003 with and date of August 31, 2007 implemented by Chemonics International in partnership with the Malian private sector and various ministries and departments of the GRM.

The objective of Mali Finance is to increase access to financial services by all Malines, including agricultural producers, processors, traders, and input suppliers. The project works along commodity value chain in conjunction with TradeMali and PRODEPAM to to achieve three sub-intermediate results (IRs):

- Increased provision of business development services (IR 3.1)
- Increased investment opportunities (IR 3.2)
- Increased access to financial services for all populations (IR 3.3)

Mali Finance technical components design and carry out activities to achieve these results by providing business development services, creating better conditions for investments through policy and legal reforms, and supporting the availability of microfinance services to entrepreneurs throughout the country. Several overarching themes, such as gender mainstreaming and promoting economic growth in the northern region of Mali, are integrated into project activities.

1.2. Project Management Approach

The third year of the project produced significant progress toward our objectives in the midst of important challenges:

- Preparing for an assessment of the three SO9 partner projects - PRODEPAM, TradeMali, and Mali Finance - in November 2005.
- Developing a new consolidated work plan and performance monitoring plan (PMP) through a reengineering process that ran from January to May 2006.
- Adjusting to the departure of the deputy chief of party/knowledge management to take up the post of COP for TradeMali in June 2006.
- Maintaining momentum and building on existing partner relationships to assure a smooth transition of technical activities focused on achieving results under the new consolidated work plan during the last three months of Year 3.
- Rationalizing budget expenditure consistent with the 50 percent cut in funding for Year 4 while maintaining critical activities and priority impact areas.
- Improving communications and integration with USAID and other partners on all aspects of the project's activities, reporting, and information sharing.

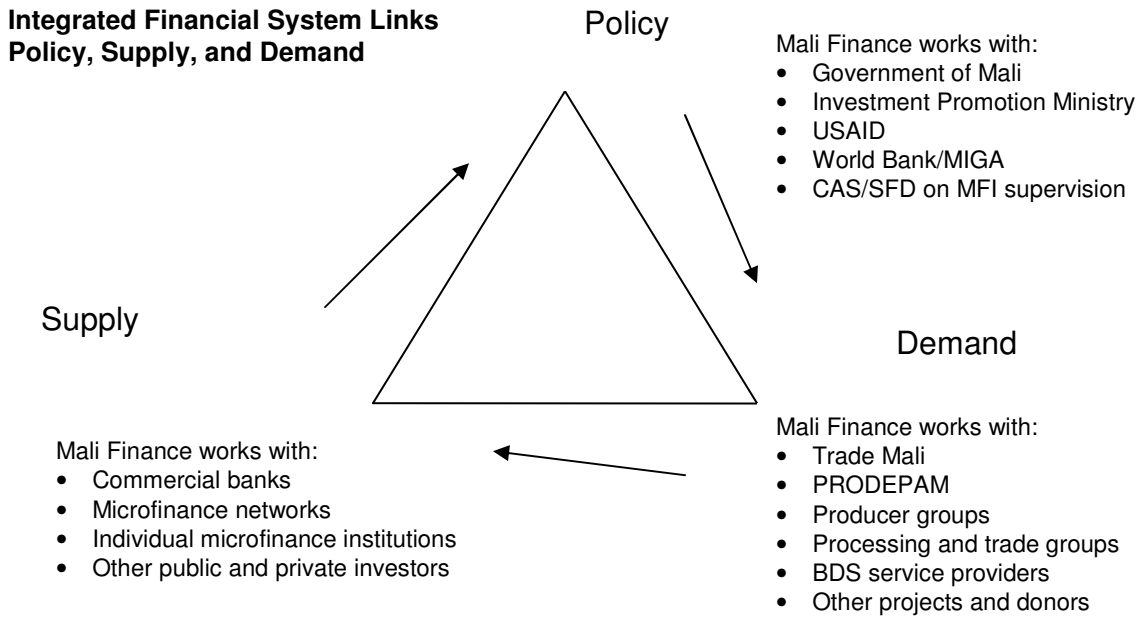
Based on lessons learned, new priorities were set to improve internal and external project communications, information sharing, and dissemination of project findings. Progress has been made in developing and carrying out activities with partner organizations, especially PRODEPAM and TradeMali.

A communications/gender specialist, Aissata Sylla, was recruited by the end of 2005, allowing the project to increase information and story sharing. Mali Finance recruited an administrative assistant/bookkeeper in the same period, allowing the project to be fully staffed again in January 2006.

1.3. Technical Approach

Many links that bind an integrated financial system together fail to function smoothly in Mali. The objective of Mali Finance is to understand and strengthen those links. It achieves this by working with the GRM on investment promotion policy, supervision and support for microfinance institutions, and related policy and regulatory issues. This overall framework a continuour feedback loop for Mali Finance.

On the supply side, Mali Finance provides information to partner financial institutions about the demand for financial services, delivers training in how best to meet that demand, and develops tools that build skills and capacity in conducting financial analysis so that banks and MFIs can make informed credit decisions.



On the demand side, ongoing BDS services will be provided through partner NGOs working in each. Partner consultants and advisory firms will continue to develop their market. We transferred to all World Bank projects the list of our BDS partners. Financial services will increase in Mali in the years to come.

Close ties are maintained with USAID's agricultural promotion projects, Trade Mali, and PRODEPAM, to generate sustainable demand for agricultural financing. Technical assistance is provided to develop the financial plans for identified agroprocessors and producers. Completed plans are taken to appropriate financial institutions at which Mali Finance plays a key facilitating and negotiating role.

In carrying out its activities, Mali Finance brings multiple stakeholders together, facilitating links and capacity building in a sustainable manner that will permit the project to withdraw, ultimately leaving a healthier flow of financial services.

1.3.1. Business Development Services

To increase BDS to agroentrepreneurs in the Sikasso area, the project developed and signed a contract with *Association Conseil pour le Développement* (ACOD) Nyètaaso, a local NGO based in Sikasso,. Developing business plans, providing other forms of technical assistance and training, and facilitating access to finance through banks and local MFIs are among the objectives of this deliverable-based contract. ACOD has been a BDS partner for Mali Finance in the past and is well-positioned to work with beneficiaries and staff of PRODEPAM and TradeMali. It is also a PRODEPAM NGO.

For the Mopti region, due to the large distance of agroentrepreneurs from the town of Mopti and the surrounding villages in the rainy season, we contracted with a NGO called *Solidarité pour l'Auto-Promotion à la Base* (SABA). It is also under contract with PRODEPAM for the Mopti region. For the Segou region, we contracted with G Force, a *Groupement d'Intérêt Économique* (GIE) that was already a BDS partner with Mali Finance and PRODEPAM.

A fourth contract was signed with NYETA Conseils in Niono for services similar to those of ACOD Nyètaaso. NYETA Conseils is a NGO working with the services center for the Niono areas as the key trainer and reference source. As the services center is the technical assistance arm of producer associations and cooperatives, this key partnership helps us to be at the center of development in the Niger Office.

Starting in June, with the beginning of the new consolidated work plan, we started negotiating with two other NGOs, both partners of PRODEPAM: *Association Malienne de Reserche Action Pour le Développement* (AMRAD) for the Timbuktu region and *Action Pour la Formation et l'Autopromotion Rurale* (AFAR) for the Gao region. We signed contracts with both of them in July. By choosing the same NGO as PRODEPAM, we will be able to work on accessing finance for their producer associations and cooperatives. We expect to increase the financial analysis capabilities for all NGOs working with PRODEPAM so they have all the tools we developed. Our goal is to ensure these NGOs have the resources and training to meet the demand for technical assistance in agriculture, commercialization and finance following the end of this project.

The Mali Finance contracts with these local NGOs increases the project's representation in these regions and provides the human and material resources necessary to ensure a high level of synergy and collaboration with the TradeMali and PRODEPAM projects on

value chain activities at field level. The number of training sessions and technical assistance provided to groups and/or individuals for business plan development has greatly expanded as a result. A total of 74 people were trained, 15 percent of whom were women. Three training modules were taught to BDS providers:

- "Expand your consultancy enterprise and augment its profitability" in Bamako.
- "Analysis of profitability and risks related to agricultural operations" in Niono for the Management Centers of the *Office du Niger*.
- "Using the Excel tool for financial analysis of medium-term credit as an integral part of business plan development" in Bamako, Mopti, Niono, and Gao.

We promoted Micro Plan for agro-entrepreneurs and producers associations, Micro Plan is a module designed for small entrepreneurs using business simulation tools to increase entrepreneurs knowledge and understanding of market offer and demand dynamics. Training was offered to entrepreneurs in Djenne, Koa, Gao, and Youwarou during the year.

Adapted Micro Plan, concentrating on accounting, marketing and profitabity, is a local version of the Making Cents product. We tailored especially for the potato cooperatives in Sikasso and CSV groups, and female rice traders in Mopti and Segou.

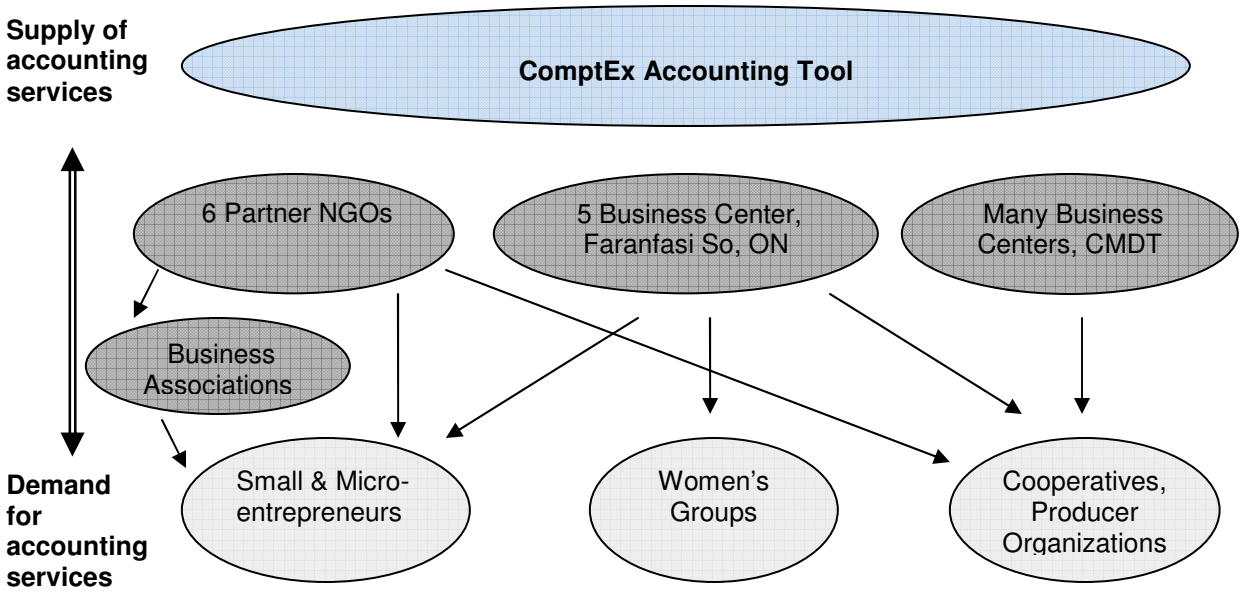
Developing follow up tools for bankers, NGO partners and BDS providers will be one of the most important new services we will implement this fourth year. During the first three years of the project, tools for financial agricultural and business analysis were developed and distributed. We are now developing the tools for following up and monitoring the borrowers financed by the banks. What happens after the disbursement of credit is just as important to repayment as the approval process.

Banks currently rely on NGOs, BDS providers and projects such as Mali Finance to help them follow up on the loans they provide, and to strengthen their cliients' management. These are keys to insuring proper loan reimbursement. The availability of a new follow-up tool will provide an important missing piece to form the basis for an enabling environment for the development of SME finance in Mali.

Mali Finance has played and will continue to play a significant role in realizing this overarching goal by providing the practical tools to analyze short term agricultural credits and mid term credit to business projects, enterprises, and investment projects, and developing the tools necessary to put in place an efficient and good follow up on their loan portfolio.

In the fourth year, Mali Finance also intends to consolidate and expand ComptEx throughout Mali. All new partner NGOs will be trained. In Year 3, we trained the business center of the Niono regional *Office du Niger* office. In Year 4, we conduct a follow-up training for all cooperatives of the Office de Niger region to ensure they have mastered the ComptEx tool. We will also train the management unit center for the cotton

regions of the *Compagnie Malienne de Textiles* (CMDT). With this accomplishment, we think USAID will have a major impact on the business and agriculture sectors for years to come. The following is a diagram that how the demand for accounting services is linked to the demand through partner organizations supported by Mali Finance.



We have seen in this last year that entrepreneurs benefiting from the ComptEx tools in Sikasso are creating a network that collaborates with our ACOD partner to expand the training. For example, a group of 40 community members has created a cooperative for stockbreeders of Urban Sikasso, with the goal of improving the quality of their beef, and have identified ComptEx as a management tool. So this is another win-win as ACOD gains a new market and local businesses continue to evolve from the informal to the formal sector.

1.3.2. Financial Institutions and Investment Promotion

This component addresses the supply side of "improving access to financial services" with activities to expand the outreach of financial services to underserved areas and the missing middle. Technical assistance is provided to government bodies, small-scale MFIs, large national MFI networks, commercial banking institutions, and entrepreneurs seeking access to finance. Cross-cutting activities implemented under the BDS component have proven essential in strengthening financial institutions and promoting investment opportunities in Mali.

Commercial Banks
Commercial banks in Mali are generally not interested in providing credit to agroentrepreneurs because of their poor experiences with the risks involved in

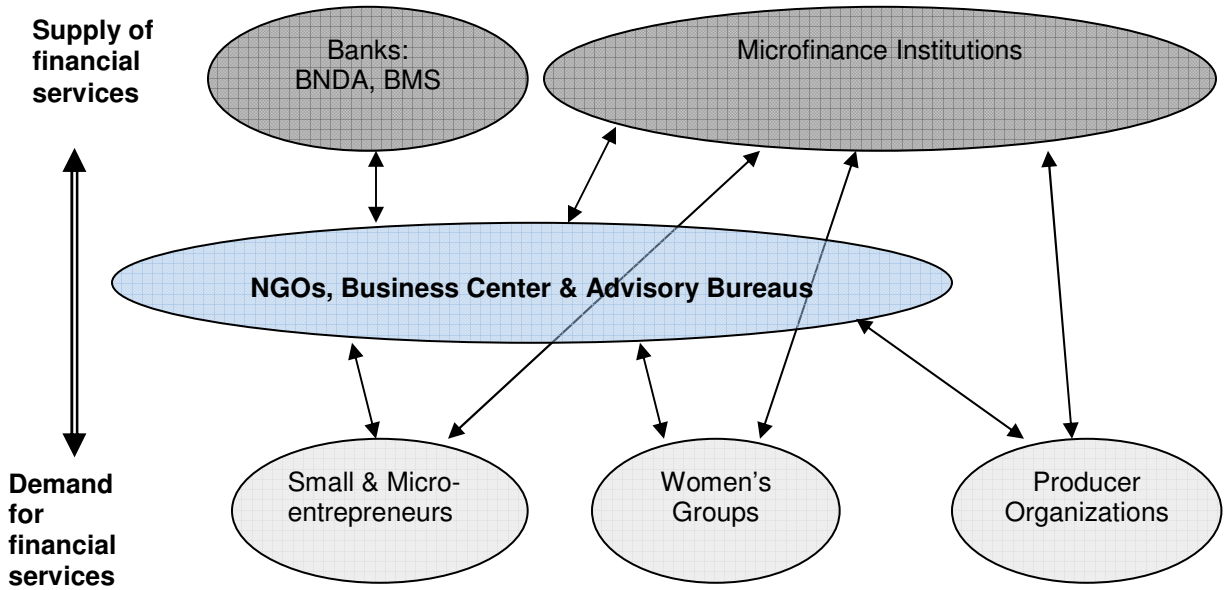
agricultural projects. When they do give credit, it is for short-term input-related loans of less than one year, tied to the agricultural season. Access to bank loans for agroentrepreneurs and large-scale medium- and long-term investment projects in agroindustry (more than FCFA 75 million) is even more exceptional, as 80 percent of the loans provided by banks are short-term loans to non-agricultural businesses.

BNDA is in a unique position to continue in its primary mission as the bank for rural Mali and SMEs. With *Banque Malienne de Solidarité* (BMS), on a smaller scale, BNDA is the only bank that finances agricultural campaigns (inputs and seeds), which is essential for the survival of millions of rural poor. The BNDA medium-term plan is deepen and broaden their MSME services in two ways:

- *Continuating to finance rural areas with a willingness to look at all the credit needs (agricultural campaigns, marketing, equipment, long-term investment).* The BNDA is the first, and only, bank to initiate financing of private infrastructures. It takes important risks that other banks generally do not take.

- *Developing the market for small and medium-sized enterprises (SMEs).* Following the introduction of the SME program, 10 university graduates have been engaged in a pilot to deploy the client-targeted strategy, requiring less follow-up on guarantees for repayment and greater proximity to the borrowers. After six months of testing, BNDA will extend this pilot strategy to its entire network.

Only BNDA has the caliber of management and the determination to invest resources to close the development opportunity gaps. Thus, BNDA remains the obvious partner for USAID/Mali to carry out its economic growth objective. And this is why we will partner with BNDA to increase financial service outreach in select regions: Sikasso (Koutiala), Segou (Niono and Segou), and Mopti, as shown in the following diagram



Microfinance Institutions
In 2006, Nyèsigiso started its Business Financial Center, which will process all their loans of more than 1 million CFAF ($2,000). They are systematizing best practice credit analysis techniques for MSMEs, which will enable them to expand market share with a controlled risk approach. Nyèsigiso based its technical analysis in part using the training we developed: accounting, short-term agriculture training, and credit analysis for investment/expansion of MSMEs.

Kafo Jiginew received the same training, and the training for housing credit. In the last two years, Kafo opened branches in every commune of Bamako and has a steady demand flow from MSMEs. Using our Excel tool to analyze MSME credit risks, they have extended 38 mid-term loans to MSMEs in Sikasso urban areas. They will continue to lend to small microentrepreneurs, moving into the missing middle (loans to small businesses of $2,000 to $100,000), the largest gap in the African financial system.

Enabling Environment
Mali Finance works with a variety of government agencies to establish a policy environment that promotes and stimulates investment opportunities. In line with priorities and available resources, Mali Finance is focusing on:

- Providing support to the government in creating a new investment promotion agency.
- Assisting in the formulation, adoption, and diffusion of three well-defined regulatory and legal reforms that have a direct impact on the creation of the IPA and microfinance and SME promotion as part of national public policy.

These activities seek to strengthen the capacity at different levels in the government agencies involved in the reforms and creation of the IPA. Even though Mali Finance has limited control over government actions to promote investment opportunities, good relationships with the stakeholders have proven successful and results are slowly being achieved. However, intensified collaboration with donors (USAID, the World Bank, and MIGA) and other partner organizations during the next year will be essential to maintain momentum and give the government needed assistance in improving Mali's investment environment.

1.3.3. Targeting the Northern Region of Mali

The northern region remains a priority for Mali Finance, with activities there integrated into the overall strategy. Because opportunities for investment promotion and the availability of financial institutions are limited in the northern region, there will be ongoing efforts to find ways for the project to intervene. One possibility is the partnership with the Luxembourg project DDRK in Kidal to develop income-generating activities.

With one full-time BDS specialist in Severe, added to the new microfinance specialist based in Gao, Mali Finance is managing its involvement in the north concretely. Our BDS specialist will advise the partner NGOs and our microfinance specialist will help nascent microfinance institutions in Kidal, Gao, and Ansongo to grow stronger. Contracts

with partner NGOs will still be the main source of our technical assistance in the North. SABA in Mopti, AMRAD in Timbuktu, and AFAR in Gao will have three employees each dedicated to the TradeMali and PRODEPAM producer associations.

SECTION 2
Results

2.1. Performance Management Plan and Results Framework

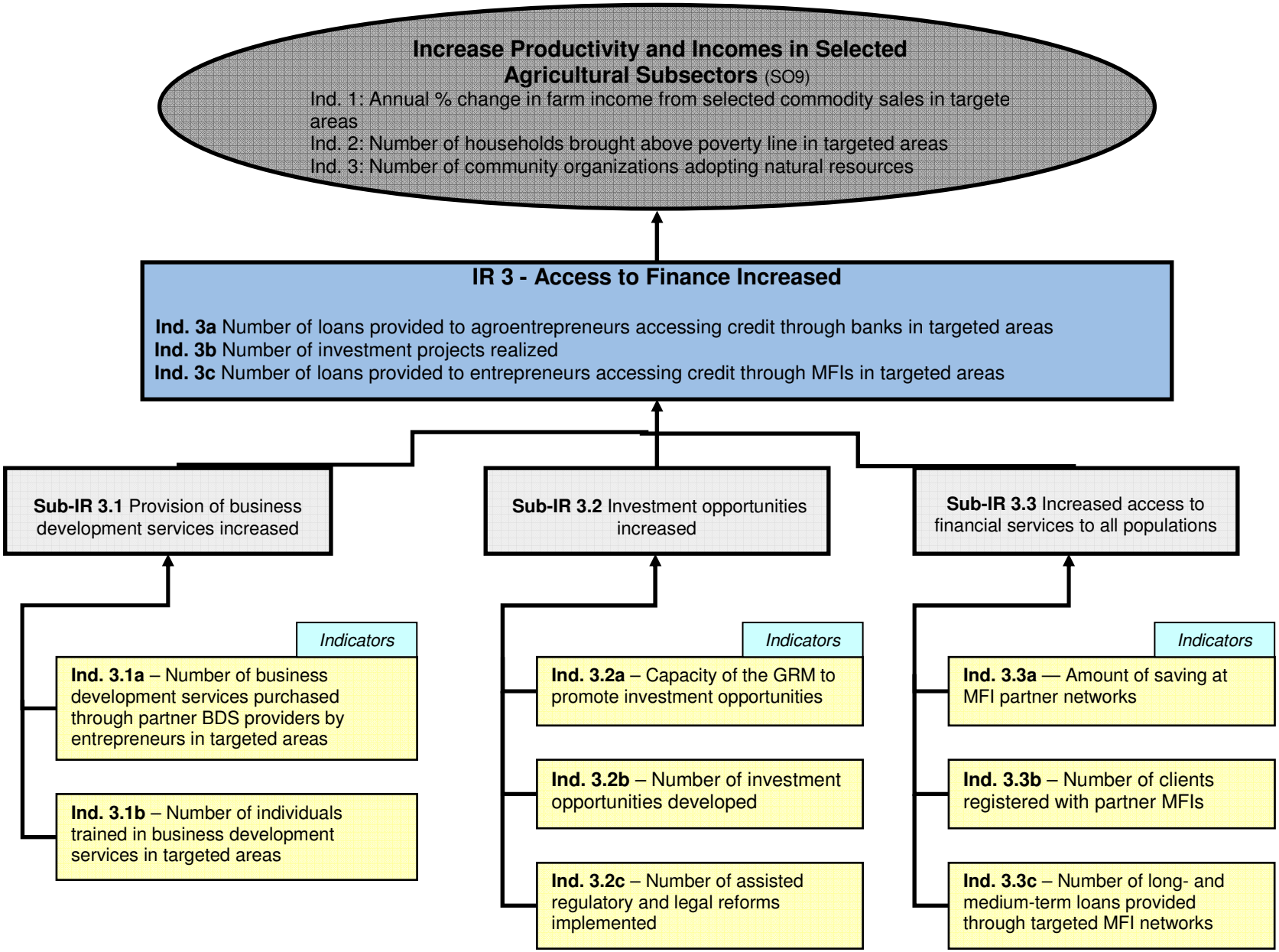
Making the program's BDS achievements lasting and the improved MFI and bank lending to the MSME sector fully sustainable with be key drivers during the project's fourth year. There are a number of elements in place to help this happen. MFIs have been well-trained, new financing products have been introduced, refinancing lines of credit have been negotiated, and MFI ratings are being introduced. Various donors, including the World Bank, the Dutch, and even the government of Mali through *Cellule d'Appui au Secteur des Structures Financières Décentralisées* (CAS/SFD) are moving to take up some of the support systems that Mali Finance provides.

The results in this section respond to the 11 project performance indicators in the new PMP as shown in the results framework (see Exhibit 1). These indicators measure directly the activities implemented by the project's technical components. The results in this annual report provide a good indication of the project's achievements during Year 3 and the progress made toward the targets set for the year.

During the year, we took a closer look at our partners' activities, as well as the methodology used for data collection and analysis, to address weaknesses identified in the original PMP. With input from the USAID/AEG monitoring and evaluation specialist, we improved the project's internal and external monitoring, data collection, and validation systems. The indicators were revised to only measure results that could be attributed to interventions and technical assistance provided through the project. In addition, milestones were introduced to measure our investment-related indicators and provide a better indication of progress toward results over time.

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

Exhibit 1. Mali Finance Results Framework



2.2. Data Reporting

Following our restructuring, all project staff are now involved in and accountbale for tracking, reporting, analyzing, and evaluating results achieved and comparing results against targets for each project performance indicators. As necessary, concerns, successes, and opportunities are shared with the USAID/AEG team's monitoring and evaluation specialist to ensure a common understanding of results achieved and the application of data quality standards for project monitoring and evaluation. Data collection, verification, and validation — internally and externally — is done in collaboration with project beneficiaries and partners to ensure that all data is presented correctly and is of high verifiable quality.

A narrative description is provided for each technical component, highlighting main activities and events during the reporting period. This is followed by a presentation of the indicators and results against targets.

Changes in Data Collection
Too improve the quality of data collected, two sets of data collection forms were developed — one for microfinance and the other for BDS activities. Data maintained for investment projects and policy initiatives met reporting requirements. Our partners filled out the forms. Field-based data verification and validation was done for microfinance data, based on samples. Due to this improved comprehensive process, we are confident of the accuracy of the results.

Due to the nature of microfinance systems and financial reporting, which is done on a quarterly basis following the calendar year, all data relating to microfinance indicators (IR 3.c, and Sub IR 3.3a, b and c) cover the period July 1, 2005 - June 30, 2006. Because last year's reporting on microfinance indicators was done through June 30, 2005, there are no data gaps in our results reporting for indicators that remained the same in the new PMP. Reporting performance results for all other indicators (BDS and investment promotion) cover the period September 1, 2005 to August 31, 2006, in line with the contractual annual reporting year.

Finally, with the new consolidated work plan for Year 4, we developed a new consolidated PMP. USAID approved both in June. As this new PMP started June 1, 2006, we will briefly report on the first quarter (June 1, 2006-August 31, 2006).

2.3. Indicator Performance Results Reporting

This section describes results for each indicator during the third year of project implementation. All results are disaggregated by gender where possible and applicable. Additional information on region, type of beneficiary, amount of loan, type of financial institution, and other possible measurement units is described and/or presented as disaggregated numbers when appropriate.

2.3.1. IR 3 – Access to Finance Increased

Access to finance increased is one of the three SO9 intermediate results that relates directly to the strategic objective to "increase productivity and incomes in selected agricultural sub-sectors" and constitutes the highest level of results reporting for the project. Three indicators feed into this intermediate result.

Indicator 3.a. – Number of loans provided to agroentrepreneurs accessing credit through banks in targeted areas

Results reached the target on an annual and cumulative basis. The 38 loans provided to agroenterprises by banks were all developed with the technical assistance of our NGO BDS providers in three regions: ACOD Nyetaso in Sikasso, Nyeta Conseil in Segou, and SABA in Mopti. All loans were made by BMS or BNDA.

Our partner NGO ACOD (Sikasso) was responsible for 16 of the plans. Another 20 were supported through Nyeta Conseil (Niono). SABA succeeded for one financed business. Mali Finance helped a female entrepreneur to get access to a bank loan.

The loans were disbursed to 29 cooperatives and associations (consisting of men and women), five individual male and four individual female entrepreneurs. The entrepreneurial activities of these enterprises largely consisted of the production, breeding, and marketing of cereals, livestock, small ruminants, dairy products, potatoes, and other locally produced products. Loans given to these SMEs totaled more than 322 million CFAF (about $644,000).

Ind. 3.a - Loans provided to agroentrepreneurs accessing credit through banks in targeted areas							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
0	8	6	38	52	51	1	102

A holistic three-prong approach contributed to this success:

- Strengthening the skills and tools of BDS providers to help entrepreneurs prepare better business plans led to more bankable credit applications.

- Strengthening agroentrepreneurs' appreciation the value of BDS for the success of their business, and improving their access to loans. ComptEx training had a major impact on agroentrepreneurs recordkeeping and resource management, which improved their business relationships with the banks.

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

All contracts with NGO BDS partners providing support to producer associations in business plan development, loan applications, and follow-through have been signed. Having multiple BDS partner NGOs working with agricultural associations in collaboration with the banks at the regional level increases the potential for a significant increase in the numbers next year. Expanding linkages between the demand for financing and the supply has been a primary objective to reinforce collaborative efforts, ensure the smooth implementation of activities and provision of assistance. Examples of new protocols signed are:

- BMS with PRODEPAM and Mali Finance;
- BNDA with PRODEPAM and Mali Finance;
- BMS, ACOD Nyetaso and Mali Finance tripartite partnership agreement;
- BMS, Nyeta Conseil and Mali Finance tripartite partnership agreement;
- ACOD, located in Sikasso, and Nyeta Conseil, based in Niono, Segou, are two local NGOs with whom the project collaborates to provide BDS services.

The underlying factor behind the successes achieved under this indicator is the partnerships developed and supported by Mali Finance with financial institutions, BDS providers, and agroentrepreneurs in the last three years. The results demonstrate that efforts in building capacity for financial institutions and BDS providers improves and expedites the financial analyses of agricultural loan applications. Better tools and skills, greater understanding and trust, and quicker credit risk assessment, all lead to more loans to MSMEs.

In the prvious year 2004, SABA in Mopti was the main NGO that helped us achieve results. This In 2005, the project achieved most of its results through collaboration with ACOD Nyetaso in Sikasso. This year, the new tripartite partnership with Nyeta Conseil in Segou, in addition to the existing partnership with ACOD Nyetaso in Sikasso, provided the technical assistance needed by entrepreneurs to develop bankable dossiers and make their tripartite partnership agreements successful.

For next year, we envision a partnership agreements between ACOD, Nyeta Conseil, SABA and G Force, and the BNDA. This will be part of our SME expansion program and will have a major impact in Mali and on project indicators.

Indicator 3.b. – Number of investment projects realized

Two investment projects received financing from an outside source, with support from the Mali Finance project and/or its partner BDS providers. To qualify as an investment project, the total amount of disbursement must equal 75 million CFAF or more.

Ind. 3.b – Investment projects realized							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
0	1	2	2	5	5	0	100

SOMAFEM, a carton packaging production factory, can play a key role in the export of agricultural produce and boost activities supported by the TradeMali project. Better packaging protects commodities in transit and increases market value.

In June 2004, the promoter requested technical assistance from Mali Finance to help mobilize resources to finance his project, starting with a business plan. The finished plan requesting a loan of 2.5 billion CFAF ($5 million) was submitted to the West African Development Bank. The regional bank agreed in principle to finance the investment project, provided the promoter would comply with the following:

- Open the capital of the company to other investors: request capital investment from other market players, such as a South Korean company MK International and two of the main carton consumer and purchasing companies in Mali.
- Carry out a sub-regional market study on carton packaging materials, with a focus on Burkina Faso and Niger.

Mali Finance assisted the promoter in developing the regional market studies. After more than two years of technical assistance, we are pleased to say that the West African Development Bank awarded SOMAFEM *Société anonyme* (SA) a loan of 1 billion CFAF (nearly $2 million) on March 26, 2006. BMS, a local bank, agreed to an additional 200 million CFAF (nearly $400,000).

Project support to SOMAFEM will continue, as complementary financing will have to be sought from local and regional banks for this project. We are helping the promoter with organizing a banking pool needed to raise a loan of this amount in Mali. Moreover, due to project efforts, OikoCredit, a Dutch development organization, sent a review committee in August 2006 to evaluate joining the banking pool and taking an equity share.

SIGAZ is a company registered in August 2005 to provide packaging for industrial, medical, and domestic gas. Its expansion plan targets selling two agricultural products: gas torches to burn weeds in the rice paddy perimeter canals and bottled butane gas for drying fruit, which improves the market value, and the farmers' revenue.

SIGAZ and Mangos

Farmers in Burkina Faso have been drying mango for more than 10 years. Now the idea is catching on in Mali, mostly for the export market, which has high quality standards. Gas drying is preferred because of cost and timing. Traditional drying in the sun takes longer during the rainy season, which is at the same time as the mango harvest.

A gas drying room achieves a higher quality of mango with a uniform color, without spots or stains. Gas drying also permits the use of green mangos that are usually sold at a lower price than red mangos on the international market.

SIGAZ SA plans to sign MOUs with major builders of gas drying rooms and will offer free technical assistance to agroentrepreneurs in selecting the best type of drier for their needs. Of course, they will sell the farmers bottled butane!

The total cost of the project is $2.4 million and the company requested a loan of $300,000. The banker is *Banque Internationale pour le Commerce et l'Industrie du Mali* (BICIM), which has authorized the loan under its Development Credit Authority (DCA) loan guarantee program. This is a good example of the value of the DCA program, which allowed the bank to finance a new company with a new product in a new market, in spite of the higher credit risk.

SOTRACOM is another investment worth mentioning. *Banque Sahelienne pour l'Industrie et le Commerce* (BSIC) has shown interest in a SOTRACOM cotton production investment project and provided an initial loan of 17 million CFAF to the company, which is a new client. Now BSIC is willing to expand its a relationship with SOTRACOM by financing additional portions of a new 500 million CFAF loan application if SOTRACOM proves to be a good partner and reimburses the initial loan on time. Even though this is a promising development for this large cotton processing plant, Mali Finance cannot capture the result under this indicator with its current definition, although the project has provided technical assistance.

Indicator 3.c. – Number of loans provided to entrepreneurs accessing credit through MFIs in targeted areas

The project achieved 110 percent of the target on a cumulative basis. To ensure there has been measurable project impact, we apply two criteria before counting a loan reported by our MFI partners: a clear indication that the credit agent provided the client with assistance or training using knowledge gained through Mali Finance-supported training, and the training provided by the credit agent actually resulted in concrete changes in management by the client.

Ind. 3.c - Loans provided to entrepreneurs accessing credit through MFIs in targeted areas						
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	% target value achieved
0	203	589 (43%♀)	428 (39%♀)	1,017	926	110

Of the 428 loans provided to agroentrepreneurs in 2006, 167 loans were to women and 261 to men. There are two probable explanations for the good results under this indicator: greater capacity of credit agents and other MFI staff to provide business assistance to agroentrepreneurs, combined with an increased understanding by credit agents of the importance of technical support in helping clients improve their loan management and reimbursement.

It is worth noting that most of the loans (372 out of 428, or 87 percent) fall within the category of short-term credit repaid in less than one year. These loans are typically used for agricultural campaigns and are paid back shortly after harvest. It also indicates that the capacity of MFIs to extend medium-term credit needs to be improved so they can provide the longer-term financing required for equipment purchases, working capital, and business expansion.

Our main partner MFIs continue to be Kafo Jiginew, Nyèsigiso, and DOT. We added three partners this year: Adagh Finance in Kidal (previously named Wouri Kidal), Wouri Gao in Gao, and Wouri Ansongo in Ansongo. Under this indicator we also counted loans granted for the TradeMali warrantage program, the *Credit Stockage Vivrier* (CSV). Through all our MFIs, plus the Kondo Jigima network for the Mopti region and *Fédération des Caisses Rurales Mutualistes du Delta Niono* (FCRMD) for the Niono areas, 54 loans to groups were disbursed, totaling more than $280,000.

Only one network, FCRMD, requested our assistance in negotiating a bank refinancing line. We were able to negotiate a credit line of $200,000 for FCRMD with one of our partner banks, the

new *Banque Malienne de Solidarité*, which supported the growth in the CSV rice credit storage program this year.

Three loans to potato cooperatives were made with the Kafo Jiginew network. This was a joint effort integrating agricultural technical assistance from PRODEPAM, commercial technical assistance from TradeMali, and finance technical assistance from Mali Finance to convince the Kafo Jiginew network to authorize loans totaling $200,000. However, due to internal difficulties at the cooperatives, they were not able to mobilize the full 10 percent of cash required as collateral, thus limiting the disbursed amount to $120,000.

To have an impact on the quality of loan applications received from MSMEs and the resulting number of loans disbursed, it has been necessary to improve the knowledge of the financial institutions' representatives and upgrade their clients' skills in basic accounting and good financial analysis. In doing so, the project was looking for short-term impact and long-term change in the behavior and actions of entrepreneurs in Mali in their relations with financial service providers. The main activities and outcomes are discussed next.

Activities. The training Mali Finance has provided to MFI credit agents has allowed many agents to meet their clients' needs in basic accounting, enterprise management, and risk and profitability analysis. Experience has show that the more MSME clients understand about banks, MFIs, and the importance of credit systems, the more their demand for loans increases.

Outcomes. Because of the assistance provided by Mali Finance, many entrepreneurs have started to keep records of basic business transactions (revenues, expenses, loans), which has enabled them to evaluate the profitability of their activities. These entrepreneurs can now make better informed decisions and increase income-generating activities. Successes stimulates business expansion, which requires an increase in stock, equipment, or other materials, leading to an increased demand for loans.

To meet this increased demand, financial institutions require a more in-depth financial analysis for credit applications of 1,000,000 CFAF ($2,000) or more. This requires the clients to have a formal accounting system, including earning statements, profitability calculations, financial balance sheet, and a sound financial enterprise structure. By having such a system that is well-managed, entrepreneurs know they can maintain a good relationship with the MFIs to meet their increasing credit needs.

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

It is in the interest of microfinance institutions to improve the fidelity and level of trust with their clients. A satisfied client will inform other potential clients and spread the word, which is an important factor for financial institutions in increasing the demand for loans.

Nyèsigiso. The 79 loans reported for the Nyèsigiso network come from three regions: Segou, Bamako, and Timbuktu. Most loans in the Segou region are from the Niger Office area, which had been targeted by Mali Finance for training. Many loans are for large rice producers and associations. As it is difficult for women to own land in this zone, most of these loans (79 percent) were given to men. In the Bamako region, 43 loans are from the new Business Financial Center, which opened in January 2006, totaling 187.6 million CFAF ($375,000), with an average loan of $9,000. The high average loan demonstrates Nyèsigiso has started to lend to the missing middle. They are not just an MFI, but a MSME lender. Of the 43 loans, 15 were to female entrepreneurs, representing 35 percent of the loans. For the Timbuktu region, the loans were originated by the CSV program, in partnership with TradeMali.

Kafo Jiginew. Kafo Jiginew reported 211 loans this year. Most of this MFI network's loans were short-term, less than one year, with some of up to 18 months. The majority were to entrepreneurs in the Sikasso region, where Kafo has a number of urban branches with specialized credit field agents. These agents received training by Mali Finance, which enables them to conduct in-depth technical analysis on loan applications received from semi-rural and urban entrepreneurs in the greater Koutiala and Sikasso areas.

DOT. Dourey Timbuktu distributed 95 loans for income-generating activities this past year. Sixty-six percent of those loans (64) were for female entrepreneurs involved in marketing rice, vegetables, and other consumables. Clients come from villages up to 100 kilometers from Timbuktu. Since June 2006, DOT has been undergoing a major turnaround after poor management and governance issues. Mali Finance is helping CCS/SFD change the DOT organizational structure and to recover the loan portfolio. Until this restructuring is completed, DOT cannot expand credit services to its clientele.

Adagh Finance. We are pleased to add 17 loans (including eight for women) for income-generating activities with our new partner in Kidal, Adagh Finance, launching a new start for this MFI. A lot of technical assistance is still needed. Also, one pilot loan was done with Wouri Ansongo, in Gao (included here to reduce table line). Mali Finance will continue to work with the new manager and the credit field agent for the Ansongo CSV program as that program gets up and running, using our microfinance specialist hired in June and based in Gao.

Ind. 3.c – Disaggregated number of loans provided to entrepreneurs accessing credit through MFIs in targeted areas

MFI network	Number of loans (2006)	Loans to women	Loans to men
Nyèsigiso	79	17 = 23%	62 = 77%
Kafo Jiginew	211	73 = 37%	138 = 63%
DOT	95	64 = 67%	31 = 33%
Kondo Jigima	18	5 = 28%	13 = 72%
Adagh Finance	18	8 = 44%	10 = 56%
FCRMD	7		7 = 100%
Total	428	167 = 39%	263 = 61%

2.3.2. Sub-IR 3.1 – Provision of Business Development Services Increased

The business development services project component expanded activities into other geographical zones during the third year, which contributed to the results obtained. By choosing the same NGOs to deliver our BDS services that PRODEPAM uses, we are better able to work on the financial side for all its producers associations and cooperatives. We expect to increase the financial analysis capability for all of PRODEPAM's NGOs, giving them all the tools we developed. In doing so, we will ensure that these NGOs have the ability to provide a high level of technical assistance in agriculture, commercialization, and finance at the end of the project.

Our contracts with these local NGOs have increased the project's representation in Sikasso, Mopti, Niono, Timbuktu, and Gao and provide the human and material resources necessary to ensure a high level of synergy and collaboration with the TradeMali and PRODEPAM projects on value-chain-specific activities at the field level. The number of training sessions and technical assistance provided to groups and/or individuals for business plan development has greatly expanded as a result of our NGO services contracting strategy, while increasing the potential for sustainable delivery of these services.

BDS approach to outreach. During the third year of the project, the BDS component was successful in developing and signing a contract with ACOD Nyetaso, a local NGO based in Sikasso, for provision of business development services to agroentrepreneurs in the Sikasso area. Developing business plans, providing other forms of technical assistance and training, and facilitating access to finance through banks and local MFIs are among the objectives of this deliverable-based contract. ACOD has been a BDS partner for Mali Finance in the past and it is well-positioned to work with the beneficiaries and staff of our partner projects PRODEPAM and TradeMali. It is also one of PRODEPAM's partner NGOs.

For the Mopti region, due to the long distance of agroentrepreneurs from the town of Mopti and the enclave villages in the rainy season, we contracted with an NGO called SABA. In the first year of Mali Finance, it received training and the regional BDS coordinator of Mali Finance in Mopti coached its staff. It is also the NGO of PRODEPAM for the Mopti region. For the Segou region, we contracted with G Force, an NGO that was already a BDS partner of Mali Finance and a partner of PRODEPAM.

The BDS component also developed another major partnership with an NGO in Niono. A contract was signed with NYETA Conseils for the provision of similar services as ACOD Nyetaso. NYETA Conseils is an NGO working with the services center of the Niono areas, acting for them as the key trainer and reference. Because the services center is the technical assistance arm of the producer associations and cooperatives, this key partnership helps us to be at the center of the development of the Niger Office.

In June, with the beginning of the new consolidated work plan, we started negotiating with two other NGOs, both partners with PRODEPAM: AMRAD for the Timbuktu region and AFAR for the Gao region. We signed contracts with both in July.

Supporting BDS advisory bureaus. In collaboration with the project's subcontractor, Making Cents, the second phase of assistance to BDS advisory bureaus was provided. This consultancy

served as a follow-up to the initial training "How to grow your business and increase its profitability," which was given to 17 advisory bureaus in December 2004. The focus for this follow on session was:

- Personalized advice and individual monitoring of 13 of the original 17 advisory bureaus.
- A workshop on the consolidation of lessons learned 1 ½ years after the initial training, which was attended by all 17 original bureaus.
- Technical assistance for the finalization and presentation of a plan for the diffusion of the code for professionalization of the sector for consultancy and advisory bureaus initiated by *Fédération Nationale des Consultants au Mali*.

The Making Cents consultant developed a toolkit with "indispensable and effective tools for consulting," which was shared and distributed to all participating BDS consultants and advisory bureaus at the end of the workshop. The toolkit represents and touches on all lessons learned.

Indicator 3.1.a – Number of business development services purchased through partner BDS providers by entrepreneurs in targeted areas

During the year, we saw an increase in the number of business development services purchased through our NGO and BDS providers, mostly for business plans, as many associations seek financing from banks for their activities. The results for this indicator are in two categories: subsidized services and services delivered directly by BDS providers to clients without subsidies.

We are pleased to have reached 105 percent of the target, reflecting the value of working more closely with NGOs to deliver the BDS training. Most of the results are due to our partner NGOs, which shows up under subsidized services. About 24 percent of the services were provided by non-subsidized BDS providers. Mali Finance has built the capacity of NGOs and commercial BDS providers, encompassing independent consultants and business advisory bureaus, giving them training in five modules to increase their knowledge and capabilities. That effort is showing in the results for 2006.

Ind. 3.1.a - Business development services purchased through partner BDS providers by entrepreneurs in targeted areas							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
20	58	55	119	232	220	+12	105

Note: The results for this indicator do not include any training services that might have been provided or purchased through BDS providers. The training-specific results are presented under Indicator 3.1.b.

Nyeta Conseil in Niono was able to provide business plan development services to 27 cooperatives and individuals. ACOD in Sikasso assisted another 38 enterprises with business plans. G Force in Segou provided business plan development services to 11 cooperatives and individuals. And SABA in Mopti assisted 13 enterprises with business plans. Another two diagnostic services were provided by partner consultants of Mali Finance. The total of 91 subsidized services reported for this year is higher than the target set for 2006, with 14 services provided to female-led enterprises.

Ind. 3.1.a – Disaggregated number of business development services purchased through partner BDS providers by entrepreneurs in targeted areas				
	2005 cum	2006 actual	2006 cum achieved	target 2006 (cum)
# of subsidized services	22 (50 % ♀)	91 (24 % ♀)	113	118
# of non-subsidized services	91 (33 % ♀)	28 (21 % ♀)	119	102
Total	113	119	232	220

This table shows the level of project financial support given to BDS providers, as the new approach stimulates the creation of new markets, minimizes financial aid for services provision, and increases the leveraging of funds. The disaggregated results show that the 91 subsidized services purchased this year can be broken down as follows:

- 81 business plans, 13 related to enterprises in the northern region of Mali, were developed into bankable dossiers with the help of experienced consultants from the NGOs and the quality control and support of the project's investment specialist.
- 2 additional business plans were developed under the investment component's efforts (Ind. 3.2.b).
- 8 services relate to the implementation of ComptEx in Sikasso.
- 14 of the 91 services relate to enterprises led by females and 24 headed by males. The majority of services (53) were for groups.

The 2006 results for the 28 non-subsidized services offered by Mali Finance's partner BDS providers can be broken down as follows:

- 23 business plans were developed.
- 5 beneficiaries procured services relating to management, auditing, and organizational development.
- 6 of the 28 services purchased were provided to enterprises led by women and 22 headed by men.

Collaboration with partner organizations. In a further leveraging of USAID resources, a new partnership was developed with the World Bank's STEP program, which also has a BDS component.

An effort was made in this initial phase to collaborate and develop complementary activities, to use lessons learned from our project, and to avoid the creation of two parallel BDS programs in Mali. As a pilot activity, the ComptEx business accounting training module was taken as an opportunity to involve STEP agents in the provision of training services to 15 agroentrepreneurs in Sikasso during November 2005. After this training, were able to fully implement the accounting package in the small businesses that they were consulting.

Another World Bank project, the Agriculture Diversification and Competitiveness Project, has a financial component. Together with Trade Mali, we were consulted on the project design. As this project will hit the ground in October, the fourth year of Mali Finance will be a key time to help it fully use our tools and work with our partner NGOs. The ComptEx accounting package has been presented and accepted as part of its toolbox. Future opportunities for collaboration, sharing of resources, and training initiatives will be developed during the last year of the project.

Growth Sources Project is another important World Bank project that started in 2006 with a BDS component for SMEs and a financial component with the IFC. Mali Finance meetings in 2005 with the design consultants helped shape the project design. We will work with the implementing contractors to ensure they follow a similar strategy as that developed by the three AEG projects.

Mali Finance participated in an angel business network in coordination with the IFC program Strengthening Grassroots, Business Initiative. The angel network is putting together successful business entrepreneurs and BDS providers to help startup businesses grow. Thy could help with mentoring, technical advice, or developing a bankable business plan. Six sessions have been held since January and the angel concept is beginning to be known among Malian business people. The IFC is pleased with Mali Finance's involvement and the credibility we add to the initiative.

BDS training and capacity building. Mali Finance worked with the Winrock Wingspan project in December to develop two training modules for Winrock's rural women's groups on enterprise development and management. Because the Wingspan project has ended, the modules will be adapted to train cooperatives and producer associations supported by PRODEPAM and TradeMali and will be provided to the Banking and Microfinance Training Center.

The conception phase of the post-finance monitoring tools continued during this reporting period, with further modifications being made based on field visits, tests and a Q&A session with staff of the three projects. This tool will help local NGOs monitor the financial situation and loan repayment record of MSME agricultural enterprises receiving credit through partner financial institutions. The diffusion phase for this post-finance monitoring tool is scheduled for the first quarter of Year 4.

Indicator 3.1.b – Number of individuals trained in business development services in targeted areas

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

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

Ind. 3.1.b - Individuals trained in business development services in targeted areas							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
0	240	704	764	1,708	1,530	+178	112

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

Targets for achieving and measuring this indicator were set for each target group as well as for the two clusters of activities — direct and indirect training.

- Direct training activities are financed through the Mali Finance project, with or without co-financing aid from other partner projects or donors.
- Indirect training activities are provided by the pool of Mali Finance-trained BDS providers under collaborative agreements.

Direct Training Activities

NGOs and BDS providers. During the third year of implementation, we continued our strengthening strategy of NGOs and BDS providers. A total of 74 people were trained, 15 percent of whom were women. Three training modules were taught to BDS providers:

- "Expand your consultancy enterprise and augment its profitability" in Bamako.
- "Analysis of profitability and risks related to agricultural operations" in Niono for the Management Centers of the *Office du Niger*.
- "Using the Excel tool for financial analysis of medium-term credit as an integral part of business plan development" in Bamako, Mopti, Niono, and Gao.

This year, a Small Enterprise Development volunteer in Gao put together a number of businesses to receive the Mali Finance training, Micro Plan. By collaborating with volunteers, we hope to expand our outreach and diffusion of the basic ideas and principals for enterprise management in Mali.

Our partnership with the Peace Corps in assisting the Small Enterprise Development (SED) volunteers was reinforced with an introductory training on enterprise development and the financial environment in Mali. The fruits are starting to be seen, as the Gao SED volunteer was able to find 34 artisans for the Micro Plan training, six of whom were craftswomen. The participants were satisfied, providing the impetus for other Peace Corps Volunteers to increase the level of BDS consultancy to their target small enterprises.

In the far north, we provided technical and financial assistance to RADEC, an NGO regrouping the camel cheese-making operations in the Kidal region. RADEC provided training to the camel cheese production groups on obtaining loans with Wouri Kidal for use in the procurement of "rennet" (or "camifloc," a product used to curdle camel milk cheese). RADEC serves as

intermediary between the producer groups and the MFI Adagh Finances until the camel cheese agricultural value chain is more professional, organized, and well-established.
Through a small grant, Mali Finance assisted RADEC in obtaining 14.5 kg. camifloc for the production of camel cheese. The camifloc was made available to the producer groups through a reimbursable loan system run by Adagh Finances. During the season, they produced around 500 kilos of camel cheese, 10 times the test run in 2004 by TradeMali, and used only 4.5 kilos of camifloc. They sold the unused 10 kilos to TradeMali for a test in the Timbuktu region, which has a larger population and is a more important market.

Financial institution representatives. Six training modules were given to 79 representatives from different financial institutions; 23 percent of those trained were women. Most of these modules are unique and were developed to address specific weaknesses in the financial sector, at the microfinance, bank, or governing agency level, as follows:

- Management training for technical staff at the Kidal MFI on management tools.
- Governance training of the board of directors in Bamako, for the Kidal, Gao, and Ansongo MFIs on their roles and responsibilities.
- Credit procedures and accounting training for Kidal.
- Analyzing investment projects for eight new representatives of the BDM SA, in Bamako.
- Financial analysis of medium-term credit module on "Use of the Excel tool as an integral part of business plan development" conducted in Bamako and Mopti.
- An "Analysis of profitability and risks related to agricultural operations" module was given in Segou to 22 representatives from BNDA branch offices throughout Mali. In Niono, training was given to MFIs including FCRMD, Nyèsigiso, *Caisses Villageoises d'Épargne et de Crédit Autogérées Office du Niger* (CVECA-ON), and *Caisse Associative d'Épargne et de Crédit*.

During the year, the Mali Finance team provided further assistance to BNDA, training 22 employees in financial analyses for short- and medium-term loans. The BNDA agents had initially received training on use of the Excel tool for financial analysis of medium-term loans in July 2004.

This time, training focused on analysis of the profitability of and risks linked to agricultural-based enterprises. This training, which included representative from all branch offices, has been a success, as the tools are applied during daily operations of one of Mali's most important agricultural credit institutions. We are pleased that the combined efforts of the project's technical components (BDS, financial institutions, and investment promotion) resulted in achievement of this activity.

Entrepreneurs. A total of 236 agroentrepreneurs (27 percent of whom are women) were direct beneficiaries of BDS training during the third year of the project. The three main training modules taught to entrepreneurs are Micro Plan (by Making Cents), Adapted Micro Plan, and ComptEx.

Micro Plan is a module designed for small entrepreneurs using business simulation tools to increase the knowledge and understanding of entrepreneurs about market offer and demand dynamics. (See Annex E for a success story on Micro Plan with additional information.) This training module was offered to entrepreneurs in Djenne, Koa, Gao, and Youwarou during the year.

Adapted Micro Plan is a local version of the Making Cents product, Micro Plan. With the assistance of our BDS consultants, in coordination with TradeMali, we adapted the Micro Plan training to be more tailored to the need of the beneficiaries, particularly the potato cooperatives, CSV groups, and female rice traders. This adapted module concentrated on accounting, marketing and profitability.

In Mopti and Segou, the focus of the training was mostly on rice marketing, whereas activities in the Sikasso region included the commercialization of potatoes. These training activities are linked to the facilitation of credit for these commercial trading activities through the MFIs of Nyèsigiso and Kondo Jigima. A guarantee fund and collaborative agreements, developed for implementation of this activity, were put in place with these MFIs and the two projects.

The ComptEx training module is particularly adapted to the needs of micro- and small enterprises. It gives entrepreneurs tools for accounting and management of their activities to help further develop their businesses using best management practices, which will facilitate access to credit. ComptEx was provided for the first time last year. This year, we were able to expand in three regions: Sikasso, Kidal, and Niono. For the Sikasso and Niono regions, agroentrepreneurs were trained, as well as trainers. There is now a foundation in those regions to continue the work in ComptEx. We intend to continue this knowledge transfer next year, as one of the major accomplishment of the project. Diffusion of this module in other parts of the country, notably to all our partner NGOs, will take place during Year 4.

Even though we were able to target a good percentage of women with our training modules, we did not achieve the target set for this beneficiary group because training sessions were targeted at the beneficiaries of the TradeMali project. Their CSV program is mostly a village-based program where more men than women are rice owners.

Adding up the direct training sessions provided to the beneficiary groups by Mali Finance gives us a total of 389 people trained during the third year; 24 percent were women. The total of 196 trainees from the northern part of the country represents 50 percent of the total. This shows how Mali Finance focused its activities on the North of Mali.

Mali Finance will continue efforts to ensure higher participation rates for women in training activities. However, the number of women from financial institutions and BDS providers will probably remain low due to the limited number of women with the educational background to fill these types of positions.

Indirect Training Activities

The results of the indirect training activities show the increased synergy and collaboration between Mali Finance and other partner projects that are willing to help fund BDS activities. Ongoing efforts to promote our BDS providers and their capacities and services will make them increasingly independent as consultants or business advisory bureaus if Mali's economic situation and business development environment continues to create a demand for their services.

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

- Training of SME advisors
- Training of trainers in enterprise creation
- Business development and management
- Enterprise management
- Micro Plan
- GERME
- Enterprise accounting and taxation
- Training in internal auditing

We are pleased to report that of the 375 people trained through our BDS providers, 169 (45 percent) were women. Most beneficiaries were agroentrepreneurs, however, artisans, consultants and advisory agents, MFI credit agents, community-based associations, and Peace Corps volunteers and their local counterparts were trained. Sessions were given to beneficiaries in Bamako, Kayes, and Mopti.

Ind. 3.1.b – Disaggregated number of individuals trained in BDS in targeted areas					
	2005 (cum)	2006 actual	2006 cum achieved	2006 target (cum)	% target value achieved
# of individuals trained directly	622 (37% ♀)	389 (24 %♀)	1.011	780	130
# of individuals trained indirectly	322 (56% ♀)	375 (45 % ♀)	697	750	93
Total	944	764	1.708	1.530	112

2.3.3. Sub-IR 3.2 – Investment Opportunities Increased

Mali Finance is committed to assisting promoters of investment projects, and supporting the GRM in developing the enabling environment needed to attract foreign investment. Last year, the project's priorities shifted from the original approach to investment promotion. To reflect this change, the indicators have been modified to better measure results achieved under this sub-intermediate result.

Investment Promotion Agency

In 2004, the World Bank and USAID concluded that the *Centre National de Promotion d'Investissement* (CNPI), in its current form, would not be able to attract foreign investment to Mali. Based on this finding, the GRM decided to create a new investment promotion agency,

with the support of USAID and MIGA, which received a small USAID grant for technical assistance. Mali Finance is working with MIGA, drawing on its expertise in developing investment promotion agencies, to give technical assistance to the government, and it will continue to facilitate activities that will help create and ensure the smooth operation of the new IPA.
In collaboration with MIGA, the investment promotion component has provided continued technical assistance to the Ministry of Investment Promotion and SME to move forward in the creation of the IPA with four departments:

- Office of the general director
- Department of promotion and investment facilitation
- Department for assistance to investors
- Department of administration

Terms of reference were developed and costs for technical staff to be recruited will be covered by the World Bank's new Sources of Growth project. The government will take on all other staff. A selection committee, representing stakeholders, should oversee the recruitment of personnel, which will be done through a recruitment agency to ensure a transparent process. This recruitment should be finished by the end of October, as the closing date for the candidature deposit was August 7, 2006.

The presence of MIGA representatives also provided a good opportunity to meet with the members of the board, which allowed them to provide input in the recruitment process as well, in order to increase transparency and support the inclusion of visions from representatives from other agencies and government bodies.

Separately, an engineer has been recruited to work on the renovation of the ex-CNPI building, to ensure that all renovations done respond to the international norms and standards. The government will take charge of the surface renovation of the building (paints and light maintenance works). This building is not the best choice in term of being Mali showcase to the international investors who would like to visit Mali, as it is an old building, with a lot of renovation to upgrade it to a better standard. The engineer proposed a major lift up of the building and another building to welcome the outside investors. Mali Finance helped the Government to send a proposal for MCC to cover these costs, in addition to technical missions and market studies, as best scenario proposed by Mali Finance major report of 2004 on IPA, the Mali Invest report. The proposal was sent after the initial compact of January 2006, so there will be limited funds available to cover all these costs. We will follow MCC proposal after the compact signature to insure the best technical assistance for the IPA.

In addition, long discussions and working sessions were held with ministry representatives on the IPA budget for the coming five years, as revisions to the originally proposed budget were necessary. The IPA structure initially proposed was too intense and the accompanying budget not realistic. A revised budget has been proposed.

Mali Finance assisted in the meetings held with government, World Bank, and MIGA representatives and facilitated the organization of meeting schedules and working sessions. Mali

Finance also reviewed the documents mentioned earlier and assisted in translation and transfer of the documents to the Ministry of Investment Promotion and SME for their comments and feedback.

Another activity in coordination with MIGA was evaluation of the management information system to put in place in order to be an international IPA. Mali Finance will buy 15 computers, one for each position of the new organizational chart, a server with 20 licenses, printers, and a photocopier with a network card, and the necessary networking. All preparatory tasks were done in year, but expenses will be held in the last year of Mali Finance. MIGA will install the investment tracker software in October. Mali Finance will connect all information into the Web site, to make it the first point of entry for potential investors.

Benchmarking Study

Mali Finance organized a workshop to present and discuss a benchmarking study conducted by MIGA and financed by USAID. The workshop took place at the beginning of 2006 with nearly 100 participants from the private, public, and donor communities. Following sector workshops, an action plan was developed and submitted to the Ministry of Investment and SME. Many participants requested a follow-up session.

We thought the sector study conclusions were so important that all stakeholders could benefit from them. Accordingly, we translated the English document of the four most important sectors. They will be ready for the Investment Workshop in November. These reports/leaflets per sub-sector as presented in the benchmarking study will provide the IPA with a good way to share information on investment opportunities in Mali for specific sub-sectors. We think that when this is distributed to more stakeholders, mainly the private sector, it will help the government to put in place specific investment policies. Because this will be part of the main mission of the IPA, conditions will be there to help it to attract investment.

Moreover, as a follow-on to the workshop on the benchmarking study developed by MIGA, additional research was performed to update data on utilities and telecommunications that were part of the original study.

Investment Forum to be Held in November

A major investment forum will be held in November. This was discussed in 2003, but MIGA and Mali Finance recommended to the Ministry of Investment to postpone this event until the IPA was running for at least a year, to permit the development of an investment sector marketing plan. When a sector approach is developed, it will then be possible to track specific worldwide companies and invite them to the workshop.

Because the IPA is not yet in place, this Investment Forum must be seen more as an internal country preparation to foreign investment in subsequent years. As part of the preparation for this event, the government asked Mali Finance to do a Malian investors identification study, which was completed last year. This study, conducted throughout the country to identify project promoters, provides a list of Malian investors to be invited to this workshop. We also shared the list of companies and entrepreneurs we are assisting.

Loan Guarantee Fund – DCA
Following the signing in 2005 of the letter of modification of the DCA program with BICIM, discussions have been held with the DCA program representative at the BICIM on the reactivation of the DCA program. Letters were exchanged by the DCA program manager, the representative of BICIM, and the Mali Finance investment specialist.

Main activities of Year 3 realized were:

- Training of two senior BICIM staff on the Credit Monitoring System (CMS) system of DCA.

- Helping in the negotiation of the first file TAMAK that has been disbursed in 2004, but which BICIM never paid the semester fees. DCA produced a waiver permitting BICIM to put TAMAK under the DCA program.

- All information on loan guarantee fund program for Mali was shared with a Washington-based DCA representative who visited the country. Some concerns and opportunities were discussed. During his visit, we facilitated working sessions between the DCA representative and the BICIM.

The most recent discussions on the SIGAZ project for the DCA program with BICIM resulted in their commitment to finance 150 million CFAF ($300,000) on this project. This loan will benefit from the DCA guarantee at 50 percent of the total amount and the BICIM is putting these funds in place. Other companies and promoters that could be under the DCA program are described in the Annex C.

Overall, with TAMAK and SIGAZ, the percentage use of DCA in Mali is at 23 percent ($340,000/$1.5 million) for a multiplication effect of 9 (for one dollar under DCA, nine dollars are invested in the economy). Two other companies are authorized and will be probably disbursed in the fist quarter of Year 4. Three other companies are in the BICIM pipeline to be DCA program beneficiaries. Since BICIM prefers to use to DCA to cover large loans, it's likely that only two projects can be put under the DCA without exceeding the $1.5 million cap.

In conclusion, in less than two years, BICIM will have used the maximum level of the DCA program, for six or seven projects. This result is good and will have an impact on agricultural development. We think Mali is ready to maximize the full potential of the DCA program, with a more important guarantee fund with all the flexibility of DCA for SMEs of all sectors. In opening the DCA program to other banks, the most important would be the agricultural bank, BNDA, to fully reach the rural areas to alleviate the poverty in Mali — the next phase that Malian enterprises are looking for from DCA.

Investment Opportunities
Field missions were undertaken to visit potential investment projects in the region of Sikasso (including Koutiala). Some of the most promising projects include

- A milk processing business in Sikasso
- Three cold chamber projects in Sikasso

- Seven oil processing and animal feed businesses (three in Sikasso and four in Koutiala)
- An agricultural produce transportations project (Sikasso)

Discussions with investment promoters focused on the present situation of each project and the difficulties experienced. A rapid needs assessment was done on organizational (administrative and accounting) capacities and required additional technical assistance to assess whether Mali Finance is well-placed to provide help to these projects or if it could facilitate assistance from other organizations.

In addition to the visits with the investment project promoters, meetings were held with bank representatives in Sikasso (BDM SA, BIM SA, Bank of Africa, BNDA) to discuss opportunities in this region and to gain an understanding of their readiness and level of interest in financing any dossiers that might be submitted as a result of this mission. Following these missions, five promoters have expressed an interest in continued collaboration with Mali Finance. Feedback was provided on four business plans to turn them into bankable dossiers and two have been submitted to financial institutions for financing. The costs of developing these two business plans were fully covered by the promoters themselves. Additional business plans will probably be submitted during the next year.

Other investment promotion activities this year include development of a study identifying female investment promoters. The report was finalized and submitted to USAID. The original basis for being considered an investment promotion project, which was set at 100 million CFAF ($200,000), was lowered for the purpose of this study to include more female-led investment projects in all regions of the country. In addition to the government of Mali, other organizations such as the National Directorate of Livestock, the State Moderator for the Private Sector, and the Malian AGOA committee have shown an interest in this study, and appropriate sections of the report have been made available to them.

Bank Relations

The BOA awarded SOMAFEM SA a loan of 1 billion CFAF (nearly $2 million) in March 2006. The project support to SOMAFEM will continue, as complementary financing will have to be sought from local and regional banks for this project. Institutions approached thus far include OIKO Credit/Mali, BNDA, BDM SA, BMS, Ecobank, BSIC SA, and BIM SA. Possibilities for financing through OIKO Credit, BMS, Ecobank, and BSIC are promising, although they are not final and approved yet. This project is becoming a real success and will hopefully set an example for other projects to follow.

As part of the facilitation of relations with financial institutions, the project's investment specialist participated in a mission to Sikasso for the assistance on the reimbursement of loans for the potato cooperatives. The reimbursement of these loans was late and a synergistic mission with TradeMali was organized to shed light on the situation and bring all stakeholders to the table. Discussions and working sessions were held with locally based project representatives, ACOD field agents, cooperative members, and credit agents from Kafo Jiginew and the BMS. All details on roles and responsibilities according to the loan agreement for each party involved were discussed and resolutions were proposed to solve the reimbursement issues as soon as

possible. Project-supported interventions like these are necessary to explain the importance of roles and responsibilities and timeliness of repayments, because this can affect the possibility of obtaining loans in the future.

The BNDA started a pilot project for MSME in mid-2005. The project targets loan between 3 and 100 million CFAF, with an average of 10 million. The first loans were done in December 2005. After six months, the project was a success, and the bank decided to extend the pilot and created a MSME department. Moreover, the bank seeks to establish technical partnerships with financial donors, NGOs, and consultants, in order to decrease the risk of information asymmetry. In other words, the enterprises should be able to benefit from advisory services, as this cannot always or exclusively be provided by the bank. USAID/Mali has become a forerunner with its current projects PRODEPAM, TradeMali, and Mali Finance, which are already operating in various agricultural value chains in partnership with agricultural organizations, NGOs, and the local advisory and consultancy bureaus. We will partner with BNDA to extend its MSME program in Year 4.

The BDM is the biggest bank in Mali. It is a commercial bank that has only minor interest in agriculture. But with its assets, it plays an important role for major investment. Knowing that fact, Mali Finance did an evaluation needs in 2005 and developed a training session with an Excel credit analysis template. The bankers were trained in 2005. In March 2006, they requested the same training for the new bankers, which we provided in July. Ten credit bankers were trained, including an impressive seven women. Moreover, we are still following the construction of its investment unit that it will put in place in Year 4. This could have an important impact on investment in Mali, with the fist bank that will have ful- time employees. This is important for investment, because Malian banks must develop internal technical analysis expertise by sector. The startup of this unit is a good step to improve investment in Mali.

USDA Intervention in Mali

The Schaeffer Group was selected to undertake the feasibility studies for the investment projects supported by USDA. We helped them in the selection of the companies in 2004. Mali Finance works with one of the three projects, InterAgro in Sikasso, and will follow project progress and quality and remains available to provide assistance and advice where and when needed. Another project, an animal feed plant, from Les Grands Moulins du Mali SA, will also be part of the DCA guarantee.

Indicator 3.2.a. – Capacity of government of Mali to promote investment opportunities

Indicator 3.2.a – Capacity of government of Mali to promote investment opportunities					
Baseline value	2005 cum achieved	2006 actual	2006 target (cum)	variance from target	% target value achieved
0	Milestone 1 at 75%	25%	100%	-	100
	Milestone 2	45%	100%	65%	45

To measure Mali Finance's efforts in building the government's capacity to promote investment opportunities, milestones were developed to track activities for phases of the IPA creation,

development, operation, implementation, and execution. Please refer to the final modified PMP document for additional details on milestones for this indicator.

Milestone 1. The initial development phase, which covers mainly the second year of project implementation, consisted of nine activities. Even though we did not achieve the last activity in August 2005, we were able to finish it in October 2005. The last activity of Milestone 1, "gathering information on the investment climate in Mali" has started with the collection of information at the CNPI and the request for additional information and documentation from the World Bank, International Monetary Fund, and the AZI SA. This was completed in 2005. Also, we worked with the civil servant representing the Ministry of Investment Promotion and SME to make sure that it had the latest statistics available from other ministries. At the time of the gathering of data, all was up-to-date. We also update the Internet and utilities cost to have up-to-date information of the benchmarking study.

Milestone 2. This is the IPA development and installation phase running from November 2005 to August 2006. The first activity for Milestone 2, "contribution to the organization of a forum" was completed with preparation of the visit for MIGA and the workshop on the benchmarking study. In this validation workshop of the benchmarking study, we also presented the USAID study on transport and logistic impact on economic competitiveness.

A Peace Corps volunteer was assigned full-time to the Ministry of Investment Promotion in the second quarter. Mali Finance worked with the volunteer to see how he could assist in activities related to the creation of the IPA or changes to the policy environment and reforms (see Ind. 3.2.c). The main part of his work consisted in meeting English-speaking investors that came to visit the Ministry of Investment Promotion and helping the preparation of the investment workshop planned for November 2006.

The second activity for Milestone 2, "Facilitate the creation of a board of directors for IPA" was completed in April 2006. With MIGA, we developed the legal documents of the IPA, from regulations to the decrees. We worked with the ministry to influence it to have private sector-minded people on the board. This will be done only partly because of the IPA legal form, which states that the majority must be the government. A meeting with the MIGA representative and Mali Finance was held in April to formalize the process and to promote best practices in investment promotion.

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

The fourth activity relates to "Assist the GRM in a site selection for the new IPA office location." We proposed a good site, but because IPA is a government structure, it was impossible to rent office at the market rate. The ministry decided to stay where the CNPI is and renovate. As said in Section 2.3.3 Sub-IR 3.2 – Investment Opportunities Increased, we helped it develop a proposal for MCA.

The fifth activity is to "Support the GRM in the recruitment of professional staff." This activity is not yet done. Mali Finance will be part of the recruitment committee. MIGA proposed criteria to permit an objective evaluation of all candidates. The ministry will hold two days of retreat to complete this recruitment. At the end of August, the ministry didn't give us a date for this retreat.

The sixth activity is to "Assist in the development of the IPA's business plan (with MIGA)." This was completed in April 2006. We detailed a rough proposed budget of MIGA by working on the real numbers of the CNPI with its representative. The budget is now well-detailed. There is still a gap in the funding. A first focus of the new CEO will be to close the budget.

All other activities related to the IPA development and installation phase require that the IPA has a CEO and professional staff. The lack of commitment from the ministry on certain issues has caused major delays in IPA recruitment and thus the ability to train staff, install computer networks, and provide further technical assistance.

Indicator 3.2.b – Number of investment opportunities developed

Mali Finance assisted in developing three investment opportunities for private promoters during the year, achieving the target of 10 cumulative opportunities.

Indicator 3.2.b - Number of investment opportunities developed					
baseline value	2005 cum achieved	2006 actual	2006 target (cum)	variance from target	% target value achieved
0	7	3	10	-	100

Mali Finance's support for each of these investment opportunities in terms of business plan development, quality control, financial and technical studies, and analysis is critical for making projects bankable and obtaining loans. The project's investment promotion specialist also gives advice and assistance to consultants to strengthen their capacity to produce high-quality business plans. As part of this approach, Mali Finance organizes working sessions with each promoter and the consultants to improve the quality of the plans. Mali Finance ensures quality control of the final product before a dossier is submitted to banks for financing.

Mali Finance assists promoters by defending the dossier and monitoring the process at the bank level and helps with negotiations and developing relationships between the promoter and the banks. When the amount to be financed is split between multiple banks, Mali Finance works with the promoter to coordinate activities among the banks. The project's investment specialist follows up on these dossiers from submission to actual financing. As part of technical assistance in this process, Mali Finance advises and reinforces the dialogue between the promoters and the banks.

Bamako slaughterhouse AFB SEM. This investment opportunity was started in 2003, when TradeMali was looking to develop the red meat market. It is only this year that the promoter was ready to renovate and expand. We helped the company produce a good business plan for the Bamako slaughterhouse. It was sent to the banks. The project totals 1.9 billion CFAF ($3.8 million) and the loan request is about 900 million CFAF ($1.8 million).

Cold store warehouse SEFRICO. When Mali Finance did the investor identification study, this business was spotted. The promoter will build a cold store warehouse of a capacity of 6,000 t/ year for fruit and vegetables conservation in Sikasso. This company is also the biggest importer of potato seeds in Mali. After a couple of working sessions, the investment specialist made comments and modifications on the business plans already done, and the business plan was submitted to the BNDA. Total cost of the project is 1.3 billion CFAF ($2.6 million), of which 929 million CFAF ($1.8 million) is requested in bank loans.

Cold store warehouse FROIDOR. This is the same kind of project that SEFRICO but of only 2,000 t/year. This facility will improve the quality of fruits and vegetables that will be exported in Europe. After working session, the business plan was sent to the Bank of Africa with a letter of recommendation of Mali Finance. The total cost of the project is 440 million CFAF ($880,000) of which 305 million CFAF ($610,000) is requested in loans.

Out of the three investment opportunities developed this year, all have been submitted to banks for financing. These three projects are valued at about 3.6 billion CFAF ($7.2 million) with loan application requests amounting to $4 million. We will make every effort to ensure that all projects submitted to banks for financing receive positive recommendations and can be counted as "projects realized" under Indicator 3.b, for next year.

Indicator 3.2.c – Number of assisted regulatory and legal reforms implemented

Indicator 3.2.c – Number of assisted regulatory and legal reforms implemented					
Baseline value	2005 cum achieved	2006 actual	2006 target	Variance from target	% target value achieved
0	Reform A – 95%	Activity (f) - 5 %	Reform A – 100%	0	100
	Reform B – 25%	Activity(b)- 15% Activity(c) -25% Activity(d)-15% Activity(e)-20%	Reform B – 100%	0	100

Mali Finance is committed to providing technical assistance to ministries and government agencies in Mali to ensure implementation of regulatory and legal reforms. Through these activities, Mali Finance seeks to influence public policy to improve access to finance for small entrepreneurs in the microfinance sector, as well as for promoters of larger investment projects who are interested in foreign investors. Two reforms were identified during the process of planning project activities and developing the PMP for this year:

- Reform A: Creation of a new investment promotion agency – Mali Invest
- Reform B: Creation of a microfinance promotion unit at the Ministry of Investment

A number of activities were identified that could contribute to achieving each of the reforms to be implemented under this indicator. To measure performance results, milestones were developed to help the project track and measure results.

Reform A. This reform also relates to Indicator 3.2.a. as it concerns technical assistance provided to the GRM to create the new IPA. However, activities under this reform are limited to the legal aspects of the IPA.

In collaboration with MIGA, Mali Finance provided input and gave its recommendation on the draft documents for the law and decree proposed to the government. Work sessions were held with representatives of the Ministry of Investment Promotion to elaborate the documents needed to create the new IPA.

The text, decree and law for the creation of the new IPA was approved and adopted on November 24, 2005, by the Cabinet of Ministries and the National Assembly. Thus, the activities for Reform A are completed and achieved at 100 percent with the adoption of the reform.

Reform B. In Mali, the CAS/SFD is in charge of promoting the microfinance sector and controlling microfinance institutions. For this agency to be more efficient as controller, the GRM and different donors decided that there was a need for a specialized unit under the Ministry of Investment Promotion to promote the microfinance sector. This will allow the CAS/SFD, which would again fall under the Ministry of Finance, to focus on its job of supervising and ensuring that the requirements and conditions set by the monetary authorities are respected.

Reform B concerns the creation of a microfinance promotion unit at the Ministry of Investment Promotion. We completed all the activities for the new CPA/SFD, the *Centre de Promotion et d'Appui aux Systèmes Financiers Décentralisés* (microfinance promotion unit).

Mali Finance worked with the CAS/SFD to develop documents relating to the decree and law necessary to create a microfinance promotion unit. Observations and comments on the final versions of the documents were provided to the CAS/SFD. The Cabinet of Ministries approved and adopted the decree and law for the creation of a microfinance promotion unit within the ministry of investment promotion on October 19, 2005. It was adopted by the National Assembly in December.

Following the creation of the unit, the investment specialist worked with the Peace Corps volunteer assigned to the ministry. They designed and developed an informational leaflet on the reform, which explained the objective of the new unit. It was well-received by the community and used for the first national workshop of the CPA/SFD, the microfinance promotion unit inside the Ministry of Investment and SME. Mali Finance participated to this national workshop. In the future, as part efforts to build MFIs in the north of Mali, Mali Finance will provide technical expertise and continue providing support.

2.3.4. Sub-IR 3.3 – Increase Access to Financial Services to all Populations

To increase access to financial services by all populations, Mali Finance worked with two of the largest Malian microfinance networks with branches throughout the country. The project also assists a number of smaller MFIs in the north (Timbuktu, Gao, and Kidal) to help them expand their services and client base.

The purpose of SO9 is to increase productivity and incomes in selected agricultural sub-sectors. Many entrepreneurs look to MFIs to finance their income-generating activities. Our project Indicators 3.3.a and 3.3.b, which relate to the amount of savings and number of clients, are good indicators to measure the increase in MSME access to financial services.

Different types of entrepreneurial activities require a range of financial products. Mali Finance worked with MFIs to develop new products that respond to the needs of agroentrepreneurs in terms of equipment for rural agricultural operations. A third indicator measures the use of medium- and long-term loans that are linked to the need for longer-term financial services.

Supporting MFIs

Microfinance major partner, Kafo Jiginew and Nyesigiso. The basic strategy of the microfinance segment is to strengthen partner institutions through the strengthening of the credit operations, the heart of any financial institution. In this respect, the project focuses on strengthening the capacity to analyze credit risk, with training at various levels: improving basic accounting skills (in Year 1 of the project) for the informal sector, improving skills in agricultural finance (in Years 1 and 2) and improving skills in SME finance (Year 3).

Also, to ensure sound and sustainable growth, the microfinance institutions should diversify and increase their institutional capacities. Product diversification makes it possible to limit swings due to excessive concentrations in the agricultural sector, while geographical diversification alleviates economic shocks and leads to complementarities. To do so, we helped Nyesigiso to develop a medium-term credit product in Office du Niger (Years 1 and 2) and their SME unit (Year 3); we helped Kafo Jiginew to introduce SME credit product (Year 3) and housing credit product (Year 2). In all these reinforcements, it is the procedures and methodologies that weigh more than simply the product. It is an on going process that these networks are pursuing.

Microfinance in Kidal and Gao. As part of the government's national Action Plan for Microfinance 2005-2008, technical assistance is welcomed by the government and MFIs. Moreover, because of PRODEPAM and TradeMali and the strong potential of the Ansongo area, Mali Finance has a direct incentive to strengthen the Gao and Kidal MFIs.

We initiated a multipartite partnership with donors (GTZ, Luxembourg), government bodies (CCS/SFD, CPA/SFD, APEJ) and a bank (BMS) to help the three microfinance institution of the Gao and Kidal regions. This partnership should be in place in the first quarter of Year 4.

In March and May 2006, two missions took place to the northern regions to support the organization and professionalization of the Wouri Kidal and Wouri Gao and Ansongo institutions. Assistance to increase the capacity of the staff and agents on management and administration of these savings and loan institutions was provided, as well as help with the correct use of loan management tools and application of the institutions' operating procedures. Two credit agents and two managers were recruited during this period and training stages and exchange visits were organized with Nyèsigiso and Jemini to increase the capacity of the personnel recently recruited.

A total of 18 people, six per credit institution (Wouri Kidal, Gao, and Ansongo), received capacity reinforcement training for improved management and governance of their savings and loan institutions. Some themes discussed were the governing and controlling bodies within each institution, application of the law concerning the decentralized financial institutions, and roles and responsibilities of each representative within a MFI. In addition, training was provided on accounting, financial status reporting, and cashiering.

Mali Finance provided Wouri Kidal with a one-time financial boost of 8 million CFAF (about $16,000) to support an initial credit fund (6 million CFAF) and a working fund (2 million CFAF). In addition, the microfinance team provided support for the organization and realization of mission for the certification for the accounts of the Adagh finance institution in Kidal. For Wouri Gao, as this was a non-operating MFI for more than three years, Mali Finance put in place a grant to launch this microfinance institution. For now, the grant consisted of an office facility, computers, motorbike, printed management tools, and support for salaries of the manager and credit field agent. For Wouri Ansongo, we will take in charge the cost of one credit field agent, that will be the main responsible for the program of TradeMali, the credit rice storage program.

To properly increase the level of professionalism, due to the poor foundation of these MFIs, a new microfinance specialist was hired in June. This expert is based in Gao and will cover Kidal, Gao, and Ansongo. This expert will start with new management tools, procedures, and manuals. Major training of the board of directors of all those MFIs will be necessary to provide the foundation for sound practices. Close work with the CCS/SFD will ensure the application of best practices in this northern part of Mali. Additional follow-up and monitoring missions are scheduled to ensure good governance, proper use of funds, and general operations of the institutions.

Microfinance in Timbuktu. DOT was an NGO started by Africare in the late 1990s which was transformed into a MFI at the end of 2004. To make it sustainable, Mali Finance proposed that this nascent microfinance institution merge with the Nyèsigiso network, which already has a branch in the region. To prepare for this merging, we hired an accountant and ensured that the chart of accounts was in line with the microfinance law. The same accountant subsequently produced a financial and administrative manual.

For various reasons, mainly the poor quality of human resources, DOT never changed its NGO's accounting system. Eventually, the lack of collaboration of DOT for the merging with Nyèsigiso cooled down the Nyèsigiso management. At the beginning of 2006 as part of the merging process, the microfinance team provided support for the organization to certify and audit the accounts of the Nyèsigiso in Dire and DOT in Timbuktu. However, the accountant was not able to certify DOT accounts because of the poor accounting system that DOT was still using. We requested a mission of supervision by the government, the CCS/SFD. The report revealed that the DOT credit portfolio was in serious condition and that there were governance issues. At the request of CCS/SFD, in June 2006 we hired a consultant and accountant for a month to provide a better picture. The resulting agreement with the CCS/SFD was twofold: stop the issuance of credit and recover the credit portfolio. This task will continue in Year 4.

The goal will be to send a clear signal into the Timbuktu region that credit has to be reimbursed. No one with bad debt will receive another credit. A borrowers' blacklist will be prepared. It is agreed that a hard line is necessary to change the mentality of soft money behind all northern Malian activities. Nyèsigiso will not merge with DOT. In Year 4, Mali Finance will provide a grant to Nyèsigiso to accelerate its establishing a presence in Timbuktu.

Providing assistance to FCRMD for a warehouse receipt credit program. Technical assistance was provided to the FCRMD during three missions to Niono. The purpose of these missions was to re-invigorate the Private Irrigation Program and to look into new opportunities to expand its portfolio, such as the creation of a rice warehouse receipt program.

The Private Irrigation Program was put in place in 2000 and the guarantee funds have been managed by FCRMD. However, in order to make this program more functional and strengthen the capacity of the FCRMD, Mali Finance proposed and put in place the following:

- Signing of a tripartite protocol between USAID, the Niger Office, and FCRMD to better manage the Private Irrigation Program, and to ensure its continuation and expansion.
- Signing of an agreement between Mali Finance and FCRMD to provide technical and financial support for the procurement and use of computer equipment/ materials that will allow for better monitoring of any loans given out under this program.
- Obtaining a refinancing loan from the BMS for the FCRMD to put in place a warehouse receipt program for rice-producing cooperatives in the Niono region.

As part of the continued support, the project provides to the FCRMD a grant agreement for the provision of computer equipment to this MFI. In addition, the agreement included a motorbike and funds necessary to support a credit agent, who is to provide close follow-up and assistance to other credit agents involved in the USAID Private Irrigate Rice Program in the Niger Office. The grant agreement will also allow FCRMD to provide additional support during Year 4 to the rice credit storage program, which is implemented in the Niono region in collaboration with the TradeMali project.

Synergies and value chain approach. The collaboration between TradeMali and Mali Finance on rice storage and trading is proving successful. An agreement was signed between the two projects and the Wouri Ansongo MFI for the CSV program, to duplicate the success seen in other regions.

Female rice traders. Efforts continue to support female rice traders in collaboration as well through the loan guarantee funds that are provided to Kondo Jigima. Women are excited to have been provided with this opportunity, and a number of them received the adapted version of the Micro Plan training, which allows them to better analyze their marketing opportunities. Most of the loans have been reimbursed by the end of August and many women keep track of their expenses and profits using a '*cahier de gestion*.' When asked what their outstanding difficulties are, they mention the lack of training and literacy for many of them, the high cost of transportation, and the need for more storage facilities.

Nafasoro pedal pumps of Kick Start. A protocol is under development for collaboration with PRODEPAM's subcontractor Kick Start for the facilitation of access to finance for the Nafasoro pedal pumps. In addition, the discussion between Mali Finance and PRODEPAM on the facilitation of access to credit for agricultural inputs for agroentrepreneurs is ongoing, according to the planning of activities during the seasonal calendar.

In order to assist credit agents in their assessment of request for credit for agricultural inputs, the microfinance component worked with a consultant in the Niono region to provide additional training to representatives from different financial institutions (banks and MFIs), as well as local NGOs intervening in the region. The training focused on financial and risk analyses for agricultural enterprises, and took place during May.

Financing the potato campaign. The Mali Finance team was successful in negotiating an agreement for several potato cooperatives in Sikasso with local financial institutions. By ensuring the continued assistance and monitoring of these cooperatives in collaboration with the PRODEPAM and TradeMali projects, Mali Finance convinced the financial institution (Kafo Jiginew) to provide 67 million CFAF ($130,000) in loans to the cooperatives, allowing them to purchase seeds. A total of 100 million CFAF was authorized, but the cooperatives were able only to mobilize the cash down for 67 million CFAF. The technical assistance from the three partner projects is of major importance, as it provides support the cooperatives need to ensure loans will be repaid on time and that good relations are maintained with the financial institutions.

Promoting and Strengthening Microfinance

Professional association of microfinance. Mali Finance also participated in the Micro Finance week and provided financial support to *Association Professionnelle des Institutions de Microfinance Mali* (APIM) for the organization of certain aspects of this national workshop. Additional assistance has been provided to APIM as part of ongoing efforts to make the central client data bank operational. To do so, a funding request has been given to the Millennium Challenge Account.

Also, APIM is a member of the new Microfinance Training Center. We are collaborating with them, as our training is taking place through the center, whenever possible. We also intend to transfer all our training to them in this last year of the project.

Supervision body of the government. Mali Finance provided support to the national MFI systems by awarding a grant to the CCS/SFD through which computer equipment was purchased and funds are made available to train agents in the use of the equipment and software, as well as the salary coverage of a consultant who will provide the necessary training. Later in the Year 4, the World Bank project, PDSF, will provide a server and will network all computers.

In a related activity, the project provided a GPS unit and the ArcView geographic information system (GIS) software to the CCS/SFD, which will allow them to make information available to all national and regional MFIs through a nation-wide mapping system. Based on their needs, training and technical assistance for the use of these programs is provided during the coming months.

To improve the supervision of MFIs, we are working to integrate all the management needs into one system. Mali Finance is helping the CCS/SFD build a management information system that will combine the present multiple databases (annual reports, statistics, registering requests for new microfinance institutions, and financial analysis) with the GIS software. Once data is entered, paper copies will not be needed. All calculations and tables will be automatic, reducing the risk of human error. This will constitute a major contribution by USAID/Mali to the improved functioning of CCS/SFD.

Promoting the sector through MFI rating. Rating of MFIs is becoming the industry norm around the world. Even though MFIs have been operating in Mali since the 1990s, only one network, Kafo Jiginew, has undergone a rating process. All the others have said they are not ready. This is unusual, as Mali has a couple of good MFIs that would benefit if their performance was open and transparent. Partnership with technical organizations, donors, international banks, and venture capitalists in microfinance would be then possible.

Knowing this, in collaboration with other microfinance projects and national microfinance networks in Mali, Planet Rating (a French NGO) has done six ratings of MFIs throughout the country. USAID/Mali did a contract with Planet Rating to rate these microfinance institutions: FCRMD, Piyeli, Soro Yiriwaso, Nyeta Muso, Niako, and Misselini. World Bank Financial Project, PDSF, will do four other ratings in Year 4. With these ratings, the 10 biggest MFIs will start an international process that will help them to improve their level of professionalism. The whole sector will benefit of being expose to the best international practices. These 10 institutions represent more than 90 percent of the assets of microfinance in Mali. These ratings will be available starting in October.

Number	Microfinance Institutions with Loan Portfolio More than 500 million CFAF	Loan Portfolio at December 31, 2005	Percentage of Total Loan Portfolio	Financial and Technical Partners Supporting the Rating
1	Kafo Jiginew	12,233,141,000	30%	BEI (European Investment Bank)/ADA Lux
2	Jéméni	6,460,436,000	16%	WB PDSF in 2006
3	Nyèsigiso	5,500,000,000	14%	WB PDSF in 2007
4	CAECE	3,726,311,000	9%	WB PDSF in 2007
5	FCRMD	2,946,723,000	7%	USAID/Mali Finance (ON)
6	Kondo Jigima	2,294,261,000	6%	WB PDSF in 2006
7	CVECA ON	2,001,085,000	5%	WB PDSF in 2006
8	Piyéli	1,282,507,000	3%	USAID/Mali Finance
9	Jigiyaso Ba	1,000,820,000	2%	
10	Sudi Diawdi	848,196,000	2%	
11	Soro Yiriwaso	729,829,000	2%	USAID/Mali Finance
12	Misélini	678,537,000	2%	USAID/Mali Finance
13	Niako	628,417,000	2%	USAID/Mali Finance (North)

Total Loans under Rating/MFI > 500 M		38,481,247,000	95%	
Total MFI over 500 million CFAF		40,330,263,000	100%	
14	Nyeta Muso	290,992,733	1%	USAID/Mali Finance (North)
Total Loans under Rating/Sector		38,772,239,733	86%	
Total Loans Portfolio of the Sector		44,857,000,000	100%	

This is a major accomplishment for the CCS/SFD, because, with these ratings, it will have, for the first time, a measure of the quality of the microfinance sector. Those ratings are good enough for the CCS/SFD to use them as the equivalent of an audit. This activity is at the center of the National Action Plan, as the start of the consolidation phase of the sector in Mali.

Indicator 3.3.a – Amount of savings at microfinance institution partner networks increased

Indicator 3.3.a – Amount of savings at microfinance institution partner networks increased						
Baseline value	2004 actual	2005 actual	2006 actual	2006 target (cum)	Variance from target	% target value achieved
12.6 billion CFAF $25.2 million	14.3 billion CFAF $28.6 million (14%)	17.6 billion CFAF $35.2 million (40%)	18.1 billion CFAF $37 million (44%)	14.9 billion CFAF $30 million (18%)	3.2 billion CFAF $6.4 million	121

Note: The change in amount of savings is measure by the percent change in the amount of outstanding savings with partner MFIs.

The results for this indicator show the achievements of two large partner MFIs, Kafo Jiginew, and Nyèsigiso, and three small institutions in the northern region, DOT in Timbuktu, Nayral Nef in Douentza, and Adagh Finances in Kidal. Savings at these institutions is not always linked to the amount of credit that can be disbursed and the size of their loan portfolio. It is, however, an important part of it and remains the most reliable indicator for the strength of MFIs in Mali.

Savings deposited by clients increase the capacity of the microfinance institution to supply the market with 'fresh money' through the provision of credit. This is the basis for intermediation in finance. Especially the smaller and more MFIs must rely on savings to increase the credit they can provide to their client base.

Kafo Jiginew and Nyèsigiso make up 99 percent of the results. The current level of savings is 18.1 billion CFAF ($37 million). Even though these results already surpass the target for 2006 by 21 percent, the growth of saving is down from last year, with the reporting period for this indicator ending June 30, 2005. Numbers fluctuate during the year depending on the agricultural season and clients' ability to save money, which largely depends on the success of the agricultural season. Cotton prices and general national economic trends have an effect on clients' capacity to put money into a savings account. A factor that explains an increase in the amount of savings is the number of clients registered with the partner MFIs. Indicator 3.3.b (see below) shows a great increase in client registration during the past quarter, which often has a direct effect on the amount of savings at MFIs.

Indicator 3.3.a – Disaggregated total amount of savings at MFI partner networks increased			
MFI network	Saving of clients (in CFAF)	% of total	Growth rate
Kafo Jiginew	11,675,322,451	64.67%	-2%
Nyèsigiso	6,331,045,063	35.07%	12%
DOT	9,716,325	0.05%	8%
Nayral Nef	30,743,335	0.17%	67%
ADAGH Finances Kidal	4,534,763	0.02%	
Total	**18,051,361,937**	100%	3%

Note: The growth rate represents the increase in savings compared to last year's results.

The Kafo Jiginew network, the biggest microfinance institution in Mali, is the major contributor to achieving results for this indicator, with 65 percent of the total of saving. Its growth rate is reduced (-2 percent) in savings as of June 2006 compared to 2005. Most of the Kafo network branches are located in southern Mali, the most important cotton production zone in the country.

Cotton represents the main cash crop for most agroentrepreneurs in the southern region of Sikasso. Producers in this area count on their income derived from cotton production to pay for regular household expenses and to address any other family needs. Cotton producers, which represent a large number of Kafo clients, received on average 165 CFAF/kilo during 2005-2006 instead of 210 CFAF/kilo during the 2004-2005 campaign, a decrease of 21 percent.

The gap (210-165 CFAF/kilo) was available for savings. The 165 CFAF/kilo they received for the harvest barely covered production costs and they were not able to save. In anticipation, growers maximized savings from the last harvest to cover household and enterprise expenses for this year. This is one reason why savings didn't follow the drastic cut in the cotton price. Another important factor explains the results: an 8-percent increase in membership. Indicator 3.3.b shows that the Kafo network added 15,000 members to its clients' base during the year. This increase maintains the level of savings at the same level as last year. As the Nyèsigiso network covers other regions, its 12-percent level of savings growth better reflects the average growth rate of the sector. It is the same level of growth as in 2005 and is still considered a good result.

Our three partners in the northern region of Mali are younger institutions (in terms of number of years in operation), and currently have an unstable saving base. The level of poverty in this region (Timbuktu and Douentza) also makes them more vulnerable. In addition, the DOT and Nayral Nef are not "cooperative types" of microfinance institutions, but both are in "solidarity" groups. This type of MFI does not collect savings, but only requires 10 to 20 percent of collateral for a loan amount. Thus, their performance in terms of savings is linked to their limited capacity to lend money.

The DOT did not receive any funding from donors this year, which explains the reduction in growth compared to last year and is transition into the Nyèsigiso network.

Nayral Nef increased its credit portfolio by 50 percent last year to come back at the same level as before the 2004 locust invasion.

Indicator 3.3.b – Number of clients registered with partner MFIs

Indicator 3.3.b – Number of clients registered with partner MFIs (cumulative)						
Baseline value	2004 actual	2005 actual	2006 actual	2006 target	Variance from target	% target value achieved
278,844	9% (304,752)	16% (323,503)	27% (353,565)	18% (329,036)	+9 (24,529)	107

Note: Cumulative numbers. The change in number of clients is expressed in percent change in the number of clients/beneficiaries registered with partner MFIs. The disaggregated results show that clients include women, men, and groups. Groups can be mixed, men only, or women only. For reporting results, each group registered with a MFI is counted as one client. This is consistent with the baseline calculations.

The number of clients registered with our partner MFIs grew from a 16 percent increase over the baseline to a 27-percent increase in 2006, which is an excellent growth rate, allowing us to exceed our target for this year. Overall, the networks are 9 percent higher than expected, resulting in 107 percent of achieved targets. By strengthening the capacity of the networks' senior staff and credit agents, Mali Finance can say it contributed to increasing the number of clients registered with its partner MFIs.

Looking at the absolute number of microfinance clients at partner MFIs, it is interesting to note that the 329,036 clients represent 9 percent of the labor force, which totals 3.93 million out of a population of 11.7 million according to the CIA World Fact Book. If we apply the usual factor of five people affected by every microfinance loan, we can estimate that some 1.6 million people benefited from USAID's microfinance support, which is almost 14 percent of the population.

Increased capacity allows the staff and different levels of representation of these institutions to inform its existing client base and potential new clients about the available financial services. Training provided through Mali Finance has enabled our partners' staff and agents to work more closely with entrepreneurs and sell their services, thus increasing the number of clients who register with the microfinance institutions.

As mentioned earlier, the Kafo Jiginew network is the main source of client growth this year. With its 140 branches in the regions of Koulikoro, Ségou, Sikasso, and the district of Bamako, it should have a natural increase during the year. It was 10 percent last year. This year, the growth rate rose to 12 percent, partially due a financial credit product for inputs for cotton production at a preferential interest rate of 10 percent, made in partnership with the CMDT. At the same time, Kafo benefited from a credit line with the European Investment Bank. This allowed producers to access credit, and thus inputs, at a low cost, which increased the number of people accessing credit through the Kafo network.

Last year, the Nyèsigiso network merged its branches, bringing the total from 40 to 11 branches with service points. During this process, it also computerized its network. While doing this, it cleaned up its client base and eliminated clients who had not used the network for more than two

years. This year, Nyèsigiso network opened new branches in Mali and was more aggressive in client searches. This explains why Nyèsigiso has seen an increase of 12 percent.

The DOT in Timbuktu has a stable client base, growing slowly from 4,475 registered clients to 4,580 clients. The goal is to keep this base. As the credit is stopped, it will be hard to satisfy the clients. When its loan portfolio is clean, DOT will be able to evaluate its next step.

Nayral Nef in Douentza represents a special case with and important contribution to addressing Initiative to End Hunger in Africa objectives. During the project's first year, the locust invasion attacked the Douentza area in the Mopti region, creating a severe food shortage. Nayral Nef decided not to lend money and instead supported the United Nations World Food Program and other donors in providing food to the population. As a result, it was not able to expand its client base. This past year Nayral Nef restarted lending activities and returned to its 2003 level. Now Nayral Nef intends to increase its client base without necessarily expanding its geographic outreach, as part of a three-year strategy developed with assistance from Mali Finance.

The table below gives a breakdown of clients registered with partner MFIs, disaggregated into three beneficiary groups.

Indicator 3.3.b – Disaggregated total number of clients registered with partner MFIs					
MFI network	Women	Men	Groups	Total	Growth rate
Kafo Jiginew	56,151	146,985	11,696	214, 832	8%
Nyèsigiso	39,900	80, 623	9 ,913	130,436	11%
DOT	2,426	2,154	0	4,580	2%
Nayral Nef	2,795	536	0	3,331	9%
ADAGH Finances	50	121	215	386	
Total	101,322	230,419	21,824	353,565	9 %

Note: Cumulative numbers. The growth rate represents the increase in clients compared to last year's results. Data are for July 2005 through June 2006

Even though MFIs make a special effort to attract female clients by working with female credit agents that focus mostly on women's activities and groups, the percentage of individual women registered with MFIs remains relatively low, at 30 percent. This is understandable because of the historical approach to microfinance in term of groups.

The majority of "groups" at Nyèsigiso are women-based groups. These are known as the "groupement CEE" - *Crédit Épargne et Éducation* (Credit and Saving with Education). They were part of USAID's Freedom from Hunger project that included education, savings, and credit activities. This system is based on the Grameen Bank microfinance success, where four to five groups of five to six women each are part of the women-based group. Each woman acts as a guarantor for the other members in her sub-group and each sub-group acts as a guarantor for the CEE groups. Although this program has ended, Nyèsigiso developed new credit products for these women's groups that have been successful, and still represent about 50,000 women. If we include these estimated figures of group beneficiaries in our calculation, the percentage of female

clients increases to around 40 percent for the sector (52 percent for Nyèsigiso network), which reflects a more average figure for the microfinance sector in general.

The Kafo network saw a drastic drop in the number of women clients when this USAID project ended. The Kafo strategy was to ask the women to become individual members of Kafo instead of group members. This ended the CEE strategy. Some women became individual members, which increased the number of clients rapidly, but the majority of poor women approached the women's microfinance program of Soro Yiriwaso, another Malian microfinance network that was supported through Save the Children USA and funded by USAID. As Kafo Jiginew has historically geared most of the financial services to cotton producers, its client base consists mostly of men. For Kafo network, the women transferred at Soro Yiriwaso are not lost, as they are using the Kafo network as their local banks. There is an agreement between the two institutions: deposits and reimbursements are still done through the Kafo network.

DOT, which has received support through the USAID project of Africare, has more than 50 percent female clients. Africare's past commitment to reduce poverty in the Timbuktu circle was heavily subsidized and was not sustainable on its own. DOT now uses a strategy in which it attempts to increase access to poor women by approaching them in groups of three women, and that client base still exists and can be built on.

The majority of clients in the Nayral Nef network are women. This year, we encouraged it to open their services to men as well, and to promote saving accounts, which would give them more options for lending. However, its strategy will continue to focus primarily on women, as it has good experiences with female clients paying back loans. Mali Finance will continue to work with partner MFIs in finding ways to increase outreach to women, particularly in the northern region.

Indicator 3.3.c - Number of long- and medium-term loans provided through targeted MF networks in targeted areas

Indicator 3.3.c – Total number of long- and medium-term loans provided through targeted MF networks in targeted areas						
Baseline value	2005 achieved (cum)	2006 actual	2006 achieved (cum)	2006 target (cum)	variance from target	% target value achieved
50	165	75	240	437	-197	55

The figures in 2005 included the 2004 numbers (cumulative number).

During the past year, only 55 percent of the FY 2006 target was achieved. The project does not expect to make up this deficit during the last year. It would mean achieving nearly 400 loans in Year 4. If we could obtain another 200 loans, that would be good. In all cases, the results show a beginning of the microfinance institutions in long- and medium-term loans. This indicator will be merged with the highest indicator of microfinance, Indicator 3c., for the coming year.

To achieve these results, we focused on the reinforcement of institutional capacities of microfinance institutions. To ensure sound and sustainable growth, the microfinance institutions should diversify and increase their institutional capacities. Product diversification makes it

possible to limit swings due to excessive concentrations in the agricultural sector, while geographical diversification alleviates economic shocks and leads to complementarities. To do so, we helped Nyesigiso to develop a medium-term credit product in Office du Niger (Years 1 and 2) and their SME unit (Year 3); we helped Kafo Jiginew to introduce SME credit product in their urban credit unions in Koutiala, Sikasso and Bamako (Year 3) and housing credit product in Bamako (Year 2). In all these reinforcements, it is the procedures and methodologies that weigh more than simply the product. It is an on going process that these networks are pursuing.

Three limiting factors explain the below target results in the number of long- and medium-term loans provided through targeted microfinance networks:

- Kafo Jiginew did not start providing mortgage loans after receiving the training by Mali Finance during the last quarter of 2004. As a couple of dossiers were already in the pipeline at the start of Mali Finance's partnership with Kafo, we had high expectations for this activity. However, the institution's general director felt the need to hire a senior staffer to overview this operation as this could have a major impact on the Kafo Jiginew balance sheet. At the same time, he decided to computerize the network. He will not start before being computerized. During the last part of 2005, Kafo advertised for the position, but was unsuccessful in finding a candidate. The director is hesitant to launch the new product until he finds someone qualified to manage this new portfolio. We also understood that Kafo Jiginew was waiting for a specific credit line to provide loan capital for this product.

- The launch of medium-term credit with Nyèsigiso in the Niger Office zone was delayed until June 2005. As this is a pilot credit activity, there is a need for flexibility and possible modifications where and when necessary. After receiving the first dozen dossiers, Mali Finance recommended that Nyèsigiso change some of its conditions on medium-term credit products, based on client feedback. Due to the extended absence of the general director during this period, these changes were not immediately made. In the meantime, there was a new general director, who decided to postpone this product until the opening of an SME financial center in Bamako.

- Initially, all the studies and the training related to the new medium-term credit product were done for all three microfinance networks in the Niger Office zone (FCRMD, CVECA-ON and Nyèsigiso). Due to issues internal to the institutions, FCRMD and CVECA-ON were not able to obtain a credit line for medium- and long-term credit. When Nyèsigiso launched the medium-term product, the other two came back to us and wanted our help introducing this product as part of their network's services.

The issues described above show that medium- and long-term credit products are new to most microfinance institutions. As a result, they are cautious about introducing a completely new product to their existing financial services. Although it is true that these limited factors exist, there is hope for the medium-term credit product for equipment and investment for the microfinance sectors. These positive events are preparing the road for medium-term credit:

- Both Kafo and Nyèsigiso got a refinancing line of credit of one million euro (657 million CFAF, about $1.2 million). OikoCredit, from the Netherlands, is active in microfinance throughout the underdeveloped world. It lends and invests in microfinance institutions and

MSME. With one representative in Mali, OikoCredit wants to become an important player in Mali. This is good news for the sector. Of course, it is limiting itself to the best microfinance institutions. Particularly of interest, these credit lines have been negotiated for medium-term credit. With this available funding, Kafo and Nyèsigiso have the capacity to make housing and MSME loans. Together, they represent more than 70 percent of the microfinance in Mali. Nyèsigiso disbursed in three months 125 million CFAF ($250,000) for 19 mortgage loans, an average mortgage loan of $13.000 per person — a good trend in the missing middle!

- Both networks are developing human resource capacities to prepare to lend in MSME and in housing. In 2006, Nyèsigiso started its Business Financial Center with the technical assistance of the Canadian development agency. This center will take care of all loans of the network over 1 million CFAF ($2,000). It is systematizing the best practices credit analysis techniques in MSME for the present portfolio. When mastered, it will be able to expand its market share, in a controlled risk approach. It based its technical analysis partly on the multiple training sessions that we developed: accounting, short-term agriculture training, and credit analysis for investment/expansion of MSME. As Nyèsigiso started its Business Financial Center, it disbursed 43 loans, totaling 188 million CFAF ($367,000). That averages nearly $9,000 per borrower. Another step in a good direction!

- Kafo Jiginew received the same training and the training for housing credit. In the past two years, it opened many branches in each commune of Bamako and MSMEs are knocking at the door. It will use our Excel tool to analyze the credit of MSMEs. Already, we are seeing the difference, as it made 38 mid-term loans to MSME in the Sikasso urban areas. This is a good achievement for Mali Finance and we are proud of it.

- The Dutch Development Bank, called FMO, will invest in Mali for housing finance. It will become shareholders of the mortgage housing reinsurance company, the FGHM SA, and will act as a housing refinancing arm for the sector. For the fist deal, it plans to lend 1 billion CFAF ($2 million) to Nyèsigiso, as it already has expertise in housing finance. Another 500 million CFAF ($1 million) will be lent to Kafo as a start. This investment deal was to be presented at the board meeting of FMO at the end of September. FMO staff will be back in October to finalize the transaction. With these other refinancing credit lines, all is in place to develop the housing market in Mali. This is major and will have an impact on the profitability and professionalism of these networks. Usually, when a financial institution does a housing loan, it is in a good position to sell other financial products, savings, pay deposit, personal loans, etc. This is an important step to become a classic bank. Finally, microfinance institutions slowly are integrating the worldwide monetary system!

- Nyèsigiso and Kafo Jiginew are in the process of creating a holding company with the goal of getting refinancing from the international financial markets. Other MFIs, like Kondo Jigima, could join them. The French, through the French Development Agency, are ready to guarantee the loans and would even like to be shareholder of such holding (the DCA program could also be used to do that). This will facilitate the funding of the cooperative system, as it cannot have private shareholders. The holding company will permit that. More than seven

years passed after the first discussion before this refinancing arm was put in place. It seems that the MFIs are at this stage now. This is another positive event that will take place in 2007.

Even though challenges for introducing new products will continue to present themselves, Mali Finance will continue to work with its partner institutions to ensure an increase in the number of long- and medium-term loans in the coming year. More intensified collaboration with our partner projects, TradeMali and PRODEPAM, will probably also increase the demand for these types of loans.

SECTION 3
The Current Year (2005 - 2006)

3.1. Achievements

The third year of the project, from September 2005 through August 2006, has shown good results at many levels. Most activities flow directly into the project's indicators, as reported in Section 2. In the middle of the year, a new challenge was raised to consolidate PRODEPAM, TradeMali, and Mali Finance activities into one work plan. This was preceded by a decision to cut the AEG program budget by 50 percent for Year 4.

This consolidated work plan and the resulting modified PMP will ensure better integration of the three AEG main projects for Year 4. This also affected the current year, because the new work plan was in force for the last three months of the current year. To adapt, a number of efforts and activities came out of enhanced teamwork and improved project management and organization, for which a brief description is provided in this section. In addition, the project was confronting challenges, based on which adjustments were made in next year's activities (see Section 3.2).

3.1.1. New Approach to Project Implementation – AEG Program Consolidation

During February, the three AEG projects were asked to develop a consolidated approach to project implementation to increase the synergistic relationships among the projects and enhance output in terms of results and success. The USAID/AEG team asked the projects to develop a consolidated work plan and PMP.

The Mali Finance project staff and management reviewed six months' of activities, approaches, and results, and identified areas for increased synergy, consolidation of efforts, and continued success. Meetings between staff and management were held to discuss the approach for the consolidated efforts to be implemented during the final 15 months. Technical staff of all three projects defined details of a consolidated work plan and PMP, which was approved in July. This consolidated work plan covers June 1, 2006 through August 31, 2007.

Integrating the three projects into one consistent value-chain-based program has required us to develop new ways of working together. This collaborative approach will continue through the coming year and is an essential element of our commitment to provide the highest value and impact. Our vision is that successful demand-driven commodity value chains increase Malian producers' incomes, reduce poverty, and increase food security sustainability, while improving Mali's natural resource base.

3.1.2. New Consolidated PMP following AEG Program Consolidation

To consolidate activities in one work plan, the projects looked at the results frameworks and the indicators under which each project had been reporting. Due to proposed budget cuts and the increased need for synergistic field presence, each project identified components, activities, and related indicators to be eliminated. There was a focus on the indicators used for the Online Presidential Initiative Network and Initiative to End Hunger in Africa reporting, to ensure little

disruption from the modification of indicators and continuation of the most relevant indicators for USAID's reporting purposes.

Assistance for improving agricultural production and trade form the two main pillars for achieving increased revenues. However, along every step of the way, access to finance is vital to support the changes and improvements to agricultural production systems and trade opportunities. Reinforced capacity of all stakeholders involved in the value chain forms the basis for translating the transfer of knowledge into positive impact on the lives of Malian people.

The work plan and results framework consolidation process provided an opportunity for Mali Finance to simplify its original results framework and combine those indicators that refer to the same activity or beneficiaries. Specifically, all results reporting on the number of loans provided through banks are now combined, as are all loans provided through MFIs. Desegregation of results for reporting and tracking will provide the level of detail needed for each type of loan.

Having achieved a considerable degree of success, Mali Finance will reduce activities aimed at building the capacity of consultants and BDS providers. Strengthening the AEG NGOs will be a focus this year. Many project activities were targeted at developing bankable investment opportunities of producer associations and supporting SMEs that wanted to 'purchase' business development services from the BDS providers.

3.1.3. Results of the New Consolidated PMP 2005-2006

To comply with the contract, Mali Finance reported on the approved PMP of last year. Following approval of the consolidated work plan and PMP, changes and results in indicators are briefly presented here. Most are the same, but some are new indicators. In this section, we will concentrate on the new indicators. All indicators are summed up in Annex C – Performance results from the new consolidated PMP (2006-2007).

Mali Finance will track two new indicators for which certain results have been monitored in the past by PRODEPAM and TradeMali. The amount of loans and the loan repayment rates for selected commodities will be tracked as part of increasing beneficiaries' access to financial services (Sub-IR 3.1). Loans will be tracked by value chain, as PRODEPAM and TradeMali's beneficiaries operate within specific agricultural subsectors for which financing is often a basic requirement.

Ind. 3.1.a – Amount of loans for selected agricultural commodities (in million CFAF)							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
0	197.1	672.6	1974.6	2677	2162	+ 515	124

We achieved 2.2 billion CFAF ($4.3 million) in loans. The two investment-authorized businesses totaled 1.1 billion CFAF, half of the total amount of loans for selected agricultural commodities.

Ind. 3.1.b – Loan repayment rates for selected agricultural commodities						
Baseline value	2004 actual	2005 actual	2006 actual	2006 target	Variance from target	% target value achieved
0	100%	72%	93%	95%	- 2%	98

This rate is affected by the TAMAK business with BICIM. This business is in arrears because its start up due to delay in production. It still has difficulties to catch up. Except for this particular business, there is no delinquency on the rest of the portfolio.

Indicator 3.2.a – Capacity of government of Mali to promote investment opportunities					
Baseline value	2005 cum achieved	2006 actual	2006 target (cum)	variance from target	% target value achieved
0	Milestone 1 at 75%	25%	100%	-	100
	Milestone 2	85%	100%	-15%	85
	Milestone 3	0%	25%	-25%	0

3.1.4. Mali Finance Team and Project Management

During the third year, project team staffing changes occurred. A number of people left and new employees were hired. The departure of the deputy chief of party/knowledge specialist for TradeMali led to a change in project structure. Although not an easy period for the team, it gave the project an opportunity to start with a new approach to project management and reinforced team spirit among all employees.

The deputy chief of party/knowledge specialist left in June. To compensate for this important role, we hired a previous Peace Corps third-year volunteer. This person was hired in the beginning of July, for a six-month period as a consultant. Good English and document presentation skills will permit the administrative staff to fully comply with the English requirement in reports and contracts. On a technical side, this consultant will perform multiple information technology and communication activities.

We also made a major change in the Mopti office. The microfinance specialist based in Mopti finished his contract in August. With the 50-percent budget cut, the fact that the DOT in Timbuktu was performing poorly (thus implying the intervention of the government), and the new consolidated work plan insisted on the north, we decided that a microfinance specialist was necessary to help the nascent MFIs of Kidal, Gao, and Ansongo. Close follow-up is necessary to ensure good practices in these crucial startup years. To improve our technical assistance, this specialist is based in Gao, and also covers Kidal and Ansongo. This north specialist is appreciated by the government, as part of its microfinance promotion strategy for the north.

Also based on the budget cut, we coupled administrative tasks with the TradeMali project. TradeMali moved from its location to share an office in June. This reduced costs, improved the efficiency of resources, and maximized project synergies.

3.1.5. Communications

Mali Finance has made great efforts to improve internal and external communications as part of last year's modified organizational structure. We are pleased with the results.

To respond better to the needs and concerns of USAID, periodic meetings are being held with the CTO to discuss any issues related to programming, management, and administration. This also provides an opportunity to share activities and give updates on ongoing activities. The quarterly activity reports are part of the effort to keep USAID better informed about our projects and communicate new developments and general results. Even though annual progress reports are the only contractual requirement, the team considers this communication important.

Other forms of communication and information distribution have been used when appropriate and possible, such as media involvement in publishing articles in l'Essor and le Republican and TV and/or radio recordings broadcast on Mali Finance-organized and supported events.

Our most appreciate move was creation of the communication specialist position. This specialist has a journalism background and is helping us to be proactive with internal and external communications. She has developed success stories (see Annex E) as part of our efforts to better present the successes achieved. She is becoming a key factor in our new consolidated work plan. She is part of most events and public activities of the AEG project. In Year 4, we hope to continue to improve communications and information sharing on our activities and successes with USAID, partner projects, and the public. Our hope is that some of the Mali Finance success stories will be posted on the USAID/Mali Web site to reach an even greater audience.

3.1.6. Gender Mainstreaming

All project components have put a special focus on gender considerations.

We work with MFIs that care for women. DOT and Nyarel Nef are mostly female-oriented; Nyèsigiso has a client base of more than 50 percent women. More institutions are targeting women's groups and enterprises. However, the work environment for microfinance and bank representatives is dominated by men. This is partially due to the traditional educational background of Malian professionals and the cultural role of women.

This year, we tried to develop success in businesses by women. We think this is the best way to promote female entrepreneurship. In the past year, we have seen some good female entrepreneurs being financed. The most prominent was Aicha Nono in Koutiala. A success story will be developed for this courageous woman, who now provides work for more than 80 people. We are still helping a woman to develop a juice plant in Mali that could make her a good model for young women.

For most indicators, we were able to report the percentage of female beneficiaries of 25 percent to 50 percent. Because women usually do not have the collateral to access credit, we put in place a specific program for female rice traders with Trade Mali (ref. 2.3.4 Sub-IR 3.3 – Increase Access to Financial Services to all Populations).

Through collaborative efforts with PRODEPAM, TradeMali, as the program for female rice traders, will reinforce our plans to expand outreach to women for increased access to finance. As part of applying a good gender approach, we will achieve more impact with a value chain approach in collaboration with Trade and PRODEPAM. Women-based cooperative activities in Sikasso for the potato sector are a great example of a development that advances women.

The continued focus on activities and partner institutions in northern Mali will have a positive effect on gender considerations as our partner MFIs target women for financial services provision.

3.2. Challenges

Even though we tried to overcome most challenges when confronted, certain obstacles stand in the way of successful project implementation and will have to be addressed during the next year of the project.

3.2.1. Budget and Program Management: Adapting to AEG program

Facing a 50 percent budget cut for Year 4 was a challenge. While we were to concentrate our activities on Trade Mali and PRODEPAM value chains, we had to maintain our results, ensure sustainability after project closeout, and increase our presence in the field, to strengthen the cooperatives, producer associations and women's organizations of TradeMali and PRODEPAM in financial knowledge and skills.

In the third year, we contracted with NGOs in Sikasso, Segou, Niono, and Mopti. For the new consolidated work plan, we added NGOs in Timbuktu and Gao. Moreover, we add staff in each of the NGOs to comply with the new work plan and to increase the collaboration with BNDA, our major partner in agriculture.

To be able to do all that, we had to maintain a minimum of staff and activities. Due to the change in strategy in mid-Year 2, and our good control of spending, we were able to reduce our burn rate in Year 3 to a low level, without cutting too much staff and activities. This permit to roll over none spent money of Year 3 budget for Year 4, around $750.000. This inflow of money will generate a level of spending to achieve our goals and targets.

Linked to this reduction in budget, the project will also have to reduce the use of subcontracts with its international partners, such as Making Cents, Bankworld, Enterprising Solutions, and Weidemann and Associates. In addition, as part of a new orientation and related strategy, the use of a contracting NGO to represent Mali Finance in some regions and the start-up of the new Investment Promotion Agency are other important factors that reduce our capacity to use our sub-contractors. We will begin discussions with USAID to modify the performance fee results, as they were linked with the use of our sub-contractors.

3.2.2. Strategies and Activities: Adapting to AEG Program

Business Development Services

The goal of the BDS component has been to strengthen the managerial capacities of BDS providers and consultants, to help them improve the services they offer and to expand their client base. Mali Finance's BDS component has mostly been targeting agroentrepreneurs by reinforcing the credit demand analysis and business planning skills of BDS providers and partner NGOs.

As a result of these initiatives, the skills of BDS providers in the agricultural sector have greatly improved. The services package for analyzing short and medium-term loans, including follow-up tools, has been provided to many BDS providers and their clients, increasing access to financing. During the last 14 months of the project, Mali Finance will concentrate its BDS efforts on strengthening the capabilities of field agents from PRODEPAM's partner NGOs, as well as junior technical experts from all projects, to assist producer associations and women's groups.

Investment Opportunities

The investment component’s goal is to improve the GRM's capacity to promote investment financing, microfinance, and SME financing in Mali. For the next year, only those investments projects that are already in the Mali Finance pipeline will be pursued, and at a minimum level of effort. The investment component will focus on strengthening the nascent Investment Promotion Agency.

Microfinance Assistance

During the last years, the microfinance component has strengthened the microfinance supervisory body of the GRM, CCS/SFD, through training and equipment transfers. Mali Finance will not be able to continue this level of capacity strengthening, nor will it be able to equip the new microfinance center unit of the Investment and SME Ministry during the coming year due to budgetary constraints. It will pursue its technical assistance to the Kidal, Gao, and Ansongo microfinance institutions.

SECTION 4
Outlook for 2006 - 2007

Achievements, challenges, and lessons learned from the third year of implementation presented us with a number of key activities and focus areas on which we have to improve, continue, or reinforce our efforts during the coming year. This section offers an overview of the main activities and issues to be addressed. The 2005-06 work plan will provide details on when, where, with whom, and by whom these activities will be implemented.

4.1. SO9 Collaboration

Now that the local NGOs that collaborate with PRODEPAM are in place, the fourth year of project implementation will allow the development of more synergistic activities with this major agricultural project. Although PRODEPAM will work with producer associations, we will assist the individual agroentrepreneurs and SMEs. The expansion of the rice-based warehouse receipt program will be continued in collaboration with TradeMali. We will also work with TradeMali in the mango and potato sectors.

4.2. Strengthening of Local NGOs

We plan to work with local NGOs to ensure that we have a greater presence on the ground in areas where our assistance is most needed. This will allow us to serve our SO 9 partners, TradeMali and PRODEPAM. We will ensure that the NGOs get the major study in the 10 largest agriculture sectors, all the tools that Mali Finance developed (short- and medium-term credit analysis tools), and training skills to spread training modules such as Micro Plan and ComptEx. Thus, the NGOs will be able to strengthen the cooperatives and producer organizations of PRODEPAM and TradeMali, to an even greater geographic zone and more beneficiaries.

4.3. Emphasis on Northern Mali

The northern region will remain a major emphasis, as we recognize that opportunities continue to be limited there. We are helping Nyèsigiso network to open a branch in Timbuktu. In doing so, the entire Timbuktu region that will have a greater access to credit. For DOT, we are helping CCS/SFD, the government supervisory body of microfinance, to change the board of directors, managers, and staff, and to recover the loan portfolio.

We will strengthen the local MFI in Kidal and link it with banks and other projects to ensure the necessary level of liquidity for successful operations. In Gao, we will help with the opening of a new microfinance institution. In Ansongo, we are strengthening the credit capacity to professionalize the MFI and to make sustainable the rice storage warrantage program of TradeMali.

4.4. Development Credit Authority Program

This year will be critical for the DCA program with local bank BICIM. After numerous meetings and discussions, the BICIM expressed interest in using the guarantee program to its maximum of

$3 million. We will continue to monitor any activities to make sure that DCA is used before the end of the calendar year.

4.5. Government Interaction

The fourth year is likely to see more government interaction, mainly with the Ministry of Investment Promotion and SME. Mali Finance will play an important facilitating and advisory role in the start-up phase of the new Investment Promotion Agency. The IPA will be crucial in the government's ability to promote investment opportunities in Mali.

In addition, we will help the IPA develop a microfinance promotion unit, while continuing our support to CAS/SFD. One of goal for increasing and improving interaction with the government is to maximize synergistic opportunities with other partners.

4.6. Peace Corps

The Peace Corps will continue to be a partner in our interaction with the government and organization of Mali. The Peace Corps volunteer assigned to the Ministry of Investment Promotion will moved from the ministry to Mali Finance office, to be more effective. Moreover, we discussed with a volunteer who is a computer specialist from IBM about helping CCS/SFD to maximize the use of the GIS ArcView software that we implemented, the APIM with the starting activities for the credit bureau, and the new Microfinance Training Center in the management and information system. He will start his activity by the end of October.

Additional training sessions in Micro Plan for artisans and agroentrepreneurs will be offered to SED volunteers. The training in Gao will serve as a good example for SED volunteers.

4.7. Rating for MFIs

Compared to other African nations, Mali has a microfinance sector that is moving toward true professionalism. One weakness is that financial institutions are missing the level of confidence needed to establish international relationships with technical partners and foreign institutions for financial resources. Now, in collaboration with other donors, finance-related projects, and USAID, Mali Finance pushed for a rating of major microfinance institutions in Mali, which would represent more than 95 percent of the assets for the sector. The challenge will be to persuade selected MFIs to get some help following the rating to improve management, outreach, and financial sustainability. We hope to make progress during the coming year, because the impact of this exercise is critical to the microfinance sector.

ANNEX A: SUMMARY OF PERFORMANCE

Indicator	2003 Baseline	2004 Result	2005 Result	2006 Achievement	Cumulative Achievement	2006 Target (cum)	% Achieved	Observations
Ind. 3a - Number of loans provided to agroentrepreneurs through banks	0	8	6	38	52	51	102%	Due to the efforts of our BDS partners ACOD, Nyeta Conseil, and SABA, we achieved our 2006 target. Partnership with those intermediaries is key to reducing perceived risks for bankers.
Ind. 3b - Number of investment projects realized	0	1	2	2	5	5	100%	Two investment projects received bank loans. Projects like these took an average of one to two years to get finance.
Ind. 3c - Number of loans provided to entrepreneurs accessing credit through MFIs	0	203	589	428	1,017	926	110%	Results include income-generating activities medium-term credit (Ind. 3.3.c). These results reflect a good use of our training by the credit field agent of our MF partners.
Ind. 3.1.a - Number of business development services purchased through partner BDS providers	20	58	55	119	232	220	105%	Much effort was made with the new project approach for BDS (working through NGOs) to achieve these results. 24% of the results were due to our pool of consultants.
Ind. 3.1.b - Number of individuals trained in business development services	0	240	704	764	1,708	1,530	112%	Indirect training activities provided through BDS partners paid off. They represented 50% of the achievement.
Ind. 3.2.a - Capacity of the GRM to promote investment opportunities	0 %	(new indicator)	Milestone 1 at 75%	Milestone 1 at 100%	100%	Milestone 1 at 100%	100%	The 65% of activities not achieved were supposed to be implemented by our partners, the Ministry of Investment, and SME and the Source Growth World Bank project. Hiring the CEO for the IPA is still in process after more than seven months, as the start-up of the Investment Promotion Agency is a highly political process.
	0 %			Milestone 2 at 45%	45%	Milestone 2 at 100%	45%	
Ind. 3.2.b - Number of investment opportunities developed	0	2	5	3	10	10	100%	Without subsidizing market studies and business plans, as our previous strategy, we focused on a few, but serious, businesses that could affect the exportation of red meat, fruit, and vegetables.

Indicator	2003 Baseline	2004 Result	2005 Result	2006 Achievement	Cumulative Achievement	2006 Target (cum)	% Achieved	Observations
Ind. 3.2.c - Number of assisted regulatory and legal reforms implemented	0 %	Reform A - 70% Reform B - 0%	Reform A – 25% Reform B – 25%	Reform A – 5% Reform B – 100%	Reform A - 100% Reform B - 100%	Reform A - 100% Reform B - 100%	100%	Policy development processes are slow, but milestone- related activities help us track the progress made with our assistance.
Ind. 3.3.a - Amount of savings at MFI partner networks	0 % = 12,6 billion cfa	14%	40%	44%	44%	18%	121%	This result is mainly from increases at Kafo last year and should be considered exceptional (due to the high price for cotton,) as the decrease of 7% for this year showed. Overall, the sector performed well and sustainability is improving.
Ind. 3.3.b - Number of clients registered with partner MFIs	0 % = 278 844	9%	16%	27%	27%	18%	107%	Good progression of clients is a measure of the possibility of institutional development of our microfinance partners.
Ind. 3.3.c - Number of long- and medium-term loans provided through targeted MFI	50	85	80	75	240	437	55%	Very slow start for Nyesigiso, but promising with its new business financial center. Kafo is starting slowly, with 37 loans this year, which is a good start.

Note: Ind. 3.c, 3.3.a, b, and c cover July 1, 2005 through June 30, 2006, all other indicators cover September 1, 2005 through August 30, 2006.

ANNEX B: YEAR 3 BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.a – Number of loans provided to agroentrepreneurs accessing credit through banks in targeted areas				
BDS partner	Loans to women	Loans to men	Loans to groups	Regional breakdown
ACOD	2	0	14	Sikasso
Nyeta Conseil	1	5	14	Segou
SABA	-	-	1	Mopti
Mali Finance	1	-	-	Sikasso

Ind. 3.1.a – Disaggregated number of business development services purchased through partner BDS providers by entrepreneurs in targeted areas		
	2006 actual	Regional breakdown
# of subsidized services	91(24%♀)	Mopti 15, Sikasso 38, Ségou 38
# of non-subsidized services	28 (21%♀)	Bamako 25, Kayes 1, Mopti 2
Total	119	
Ind. 3.1.b – Disaggregated number of individuals trained in business development services in targeted areas		
	2006 actual	Regional breakdown
# of individuals trained directly	389 (24%♀)	Bamako 65, Sikasso 38, Segou 90, Mopti 90, Timbuktu 15, Gao 66, Kidal 25
# of individuals trained indirectly	375 (45% ♀)	Bamako 221, Sikasso 42, Timbuktu 74, Mopti 38
Total	764	

Ind. 3.b – Number of investment projects realized			
Investment partner	Loans to women	Loans to men	Regional breakdown
BOAD	-	1	Bamako
BICM	-	1	Bamako

Indicator 3.2.b – Number of investment opportunities developed				
Investment business	Investment partner	Women-led	Men-led	Regional breakdown
Bamako slaughterhouse AFB	BDM SA; BSIC SA., BCS SA.	-	1	Bamako
Cold store warehouse SEFRICO	BNDA SA.	-	1	Sikasso
Cold store warehouse FROIDOR	BOA SA;	-	1	Sikasso

ANNEX B: YEAR 3 BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.c – Disaggregated number of loans provided to entrepreneurs accessing credit through microfinance institutions in targeted areas				
MFI network	Number of loans	Loans to women	Loans to men	Regional breakdown
Nyesigiso	79	17 = 23%	61 = 77%	Segou 11, Timbuktu 25, Bamako 43
Kafo	211	73 = 37%	138 = 63%	Sikasso 211
DOT	95	64 = 67%	31 = 33%	Timbuktu 95
Kondo Jigima	18	5 = 28%	13 = 72%	Mopti 7, Segou 11,
FCRMD	7	-	7 = 100%	Segou 7
ADAGH Finances	18	8 = 44%	10 = 56%	Kidal 17, Gao 1 (Wouri Ansongo)
Total	428	167 = 39%	263= 61%	

Indicator 3.3.a – Disaggregated total amount of savings at microfinance institution partner networks increased					
MFI network	Client savings (CFA)	Savings for women	Savings for men	Group/ company savings	Regional breakdown
Kafo Jiginew	11,675,322,451	*Kafo does not have this information available; It is transferring all data to a new computerized system that will provide it when completed.*			Bamako 1,262,424,051; Koulikoro 1,652,596,649; Segou 414,010,164; Sikasso 8,346,291,587
Nyèsigiso	6,331,045,063	1,288,388,409	3,711,646,412	1,331,010,242	Bamako 3,609,707,652; Koulikoro 436,031,591; Kayes 103,718,418; Segou 1,741,887,159; Timbuktu 439,700,243
DOT	9,716,325	5,087,689	4,628,636	-	Timbuktu 9,716,325
Nayral Nef	30,743,335	18,141,920	12,601,415	-	Mopti 30,743,335
ADAGH Finances	4,534,763	2,131,339	2,403,424	-	Kidal 4,534,763
Total	18,051,361,937				

ANNEX B: YEAR 3 BREAKDOWN BY REGION/PERFORMANCE

Indicator 3.3.b – Disaggregated total number of clients registered with partner microfinance institutions					
MFI network	Women	Men	Groups	Total	Regional breakdown
Kafo Jiginew	56,151	146,985	11,696	214,832	Bamako 6,975; Koulikoro 40,373; Segou11,389; Sikasso 156,095
Nyèsigiso	39,900	80,623	9,913	130,436	Bamako 70,107; Koulikoro 10,258; Kayes 3,087; Segou 44,996; Timbuktu 1,988
DOT	2,426	2,154	-	4,580	Timbuktu 4,580
Nayral Nef	2,795	536	-	3,331	Mopti 3,331
ADAGH Finances	50	121	215	386	Kidal 386
Total	101,322	230,419	21,824	353,565	

Note: Cumulative numbers.

Indicator 3.3.c – Number of long- and medium-term loans provided through targeted microfinance networks in targeted areas				
MFI Network	Loans to women	Loans to men	Total long- and medium-term loans	Regional breakdown
Nyèsigiso	16	22	38	Segou 1,Bamako 37
Kafo Jiginew	0	37	37	Sikasso 35, Koulikoro 2
Total	16	59	75	

Note: Non cumulative numbers. Only the loans due to the technical assistance of Mali Finance were counted.

ANNEX B: YEAR 3 BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.a – Number & Amount of loans provided to agroentrepreneurs accessing credit through banks in targeted areas in CFAF										
Type of Borrower	Sikasso		Segou		Mopti		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	-		5	28,420,000	-		5	13%	28,420,000	9%
Women	3	19,000,000	1	5,000,000	-		4	11%	24,000,000	7%
Groups/companies	14	65,904,750	14	199,519,100	1	4,331,250	29	76%	269,755,100	84%
Total	17	84,904,750	20	232,939,100	1	4,331,250	38		322,175,100	100%
Percent of borrowers	45%		53%		3%		100%			
Percent of amount		26%		72%		1%			100%	100%

Ind. 3.a – Number & Amount of loans provided to agroentrepreneurs accessing credit through banks in targeted areas in $US										
Type of Borrower	Sikasso		Segou		Mopti		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	-		5	56,840	-		5	13%	56,840	9%
Women	3	38,000	1	10,000	-		4	11%	48,000	7%
Groups/companies	14	131,810	14	399,038	1	8,663	29	76%	539,510	84%
Total	17	169,810	20	465,878	1	8,663	38		644,350	100%
Percent of borrowers	45%		53%		3%		100%			
Percent of amount		26%		72%		1%			100%	100%

ANNEX B: YEAR 3 BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.b – Number & Amount of investment projects realized in CFAF				
Type of Borrower	Bamako		Total	
	No.	Amount	No.	Amount
Men	2	1,150,000,000	2	1,150,000,000
Women	–	–	–	–
Total	2	1,150,000,000	2	1,150,000,000

Ind. 3.b – Number & Amount of investment projects realized in $US				
Type of Borrower	Bamako		Total	
	No.	Amount	No.	Amount
Men	2	2,300,000	2	2,300,000
Women	–	–	–	–
Total	2	2,300,000	2	2,300,000

ANNEX B: YEAR 3 BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.c – Number & Amount of loans provided to entrepreneurs accessing credit through microfinance institutions in targeted areas in CFAF																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	28	102,150,000	130	54,700,000	8	27,400,000	–	–	63	5,214,508	9	2,750,000	238	56%	192,214,508	36%
Women	15	85,500,000	72	28,035,000	1	1,000,000	–	–	32	7,086,362	8	1,600,000	128	30%	123,221,362	23%
CSV groups	–		4	1,264,000	18	112,592,090	5	6,007,400	25	17,262,365	1	220,500	53	12%	137,346,355	26%
Rice trader women groups	–				4	6,500,000	2	3,250,000	–		–		6	1%	9,750,000	2%
Potatoes groups	–		3	66,000,000	–		–		–		–		3	1%	66,000,000	12%
Total	43	187,650,000	209	149,999,000	31	147,492,090	7	9,257,400	120	29,563,235	18	4,570,500	428	100%	528,532,225	100%

Ind. 3.c – Number & Amount of loans provided to entrepreneurs accessing credit through microfinance institutions in targeted areas in $US																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	28	204,300	130	109,400	8	54,800	–		63	10,429	9	5,500	238	55%	384,429	36%
Women	15	171,000	72	56,070	1	2,000	–		32	14,173	8	3,200	128	30%	246,443	23%
CSV groups	–		4	2,528	18	225,184	5	12,015	25	34,525	1	441	53	13%	274,693	26%
Rice trader women groups	–				4	13,000	2	6,500	–		–		6	2%	19,500	2%
Potatoes groups	–		3	117,756	–		–		–		–		3	1%	132,000	12%
Total	43	375,300	209	299,998	31	294,984	7	18,515	120	59,126	18	9,141	428	100%	1,057,064	100%

ANNEX B: YEAR 3 BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.a, 3.b, and 3.c Combined – Number & Amount of loans provided to entrepreneurs in targeted areas in CFAF																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	30	1,252,150,000	130	54,700,000	13	55,820,000	–		63	5,214,508	9	2,750,000	245	52%	1,370,634,508	69%
Women	15	85,500,000	75	47,035,000	2	6,000,000	–		32	7,086,362	8	1,600,000	132	28%	147,221,362	7%
Groups/Companies	–		14	65,904,750	14	199,519,100	1	4,331,250					29	6%	269,755,100	13%
CSV groups	–		4	1,264,000	18	112,592,090	5	6,007,400	25	17,262,365	1	220,500	53	11%	137,346,355	7%
Rice trader women groups	–				4	6,500,000	2	3,250,000	–		–		7	1%	9,750,000	1%
Potatoes groups	–		3	66,000,000	–		–		–		–		3	1%	66,000,000	3%
Total	45	1,337,650,000	227	234,903,750	51	380,431,190	8	13,588,650	120	29,563,235	18	4,570,500	469	100%	2,001,707,325	100%

Ind. 3.a, 3.b, and 3.c Combined – Number & Amount of loans provided to entrepreneurs in targeted areas in $US																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	30	2,504,300	130	109,400	13	111,640	-	-	63	10,429	9	5,500	245	52%	2,741,269	68%
Women	15	171,000	75	94,070	2	12,000	-	-	32	14,173	8	3,200	132	28%	294,443	7%
Groups/Companies	-		14	131,810	14	399,038	1	8,663					55	12%	539,510	13%
CSV groups	-		4	8,111	18	225,184	5	12,015	25	34,525	1	441	27	6%	274,693	7%
Rice trader women groups	-				4	13,000	2	6,500		-		-	7	1%	19,500	1%
Potatoes groups	-		3	132,000		-		-		-		-	3	1%	132,000	3%
Total	45	2,675,300	227	469,808	51	760,862	8	27,177	120	59,126	18	9,141	469	100%	4,001,415	100%

ANNEX C: CUMULATIVE BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.a – Number of loans provided to agroentrepreneurs accessing credit through banks in targeted areas				
BDS partner	Loans to women	Loans to men	Loans to groups	Regional breakdown
ACOD	4	0	18	Sikasso
Nyeta Conseil	1	5	14	Segou
SABA	-	-	1	Mopti
Mali Finance	1	-	-	Sikasso

Ind. 3.1.a – Disaggregated number of business development services purchased through partner BDS providers by entrepreneurs in targeted areas		
	2006 Cum.	Regional breakdown
# of subsidized services	107(28%♀)	Mopti 21, Sikasso 39, Segou 39, Bamako 7, Timbuktu 1
# of non-subsidized services	67 (27%♀)	Bamako 42, Kayes 1, Mopti 13, Sikasso 6, Koulikoro 3, Gao 2
Total	174	
Ind. 3.1.b – Disaggregated number of individuals trained in business development services in targeted areas		
	2006 Cum.	Regional breakdown
# of individuals trained directly	771 (28%♀)	Bamako 208, Sikasso 87, Segou 158, Mopti 125, Timbuktu 32, Gao 118, Kidal 43
# of individuals trained indirectly	697 (50% ♀)	Bamako 391, Sikasso 75, Timbuktu 74, Mopti 78, Kayes 14, Gao 40, Kidal 25
Total	1 468	

Ind. 3.b – Number of investment projects realized			
Investment partner	Loans to women	Loans to men	Regional breakdown
BOAD	-	1	Bamako
BICM	-	1	Bamako

Indicator 3.2.b – Number of investment opportunities developed				
Investment business	Investment partner	Women-led	Men-led	Regional breakdown
Bamako slaughterhouse AFB	BDM ; BSIC., BCS	-	1	Bamako
Cold store warehouse SEFRICO	BNDA	-	1	Sikasso
Cold store warehouse FROIDOR	BOA	-	1	Sikasso
SOTRACOM	BSIC, BCS		1	Bamako
SOFACO	BDM		1	Bamako
SOMAFEM	-		1	Bamako
SOJUMA	-	1		Koulikoro
FAK	-		1	Koulikoro

ANNEX C: CUMULATIVE BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.c – Disaggregated Cumulative number of loans provided to entrepreneurs accessing credit through microfinance institutions in targeted areas				
MFI network	Number of loans	Loans to women	Loans to men	Regional breakdown
Nyesigiso	184	35 = 19%	149 = 81%	Segou 91, Timbuktu 25, Bamako 68
Kafo	516	196 = 38%	320 = 62%	Sikasso 473, Koulikoro 43
DOT	236	144 = 61%	92 = 39%	Timbuktu 236
Kondo Jigima	18	5 = 28%	13 = 72%	Mopti 7, Segou 11,
Nayral Nef	40	34 = 85%	6 =15%	Mopti 40
FCRMD	7	-	7 = 100%	Segou 7
ADAGH Finances	18	8 = 44%	10 = 56%	Kidal 17, Gao 1 (Wouri Ansongo)
Total	1 019	422 = 39%	597= 61%	

Note: Cumulative numbers for Year 2 and 3. Year 1 had another definition.

Indicator 3.3.a – Disaggregated total amount of savings at microfinance institution partner networks increased					
MFI network	Client savings (CFA)	Savings for women	Savings for men	Group/ company savings	Regional breakdown
Kafo Jiginew	11,675,322,451	*Kafo does not have this information available; It is transferring all data to a new computerized system that will provide it when completed.*			Bamako 1,262,424,051; Koulikoro 1,652,596,649; Segou 414,010,164; Sikasso 8,346,291,587
Nyèsigiso	6,331,045,063	1,288,388,409	3,711,646,412	1,331,010,242	Bamako 3,609,707,652; Koulikoro 436,031,591; Kayes 103,718,418; Ségou 1,741,887,159; Timbuktu 439,700,243
DOT	9,716,325	5,087,689	4,628,636	-	Timbuktu 9,716,325
Nayral Nef	30,743,335	18,141,920	12,601,415	-	Mopti 30,743,335
ADAGH Finances	4,534,763	2,131,339	2,403,424	-	Kidal 4,534,763
Total	18,051,361,937				

ANNEX C: CUMULATIVE BREAKDOWN BY REGION/PERFORMANCE

Indicator 3.3.b – Disaggregated total number of clients registered with partner microfinance institutions					
MFI network	Women	Men	Groups	Total	Regional breakdown
Kafo Jiginew	56,151	146,985	11,696	214,832	Bamako 6,975; Koulikoro 40,373; Segou11,389; Sikasso 156,095
Nyèsigiso	39,900	80,623	9,913	130,436	Bamako 70,107; Koulikoro 10,258; Kayes 3,087; Segou 44,996; Timbuktu 1,988
DOT	2,426	2,154	-	4,580	Timbuktu 4,580
Nayral Nef	2,795	536	-	3,331	Mopti 3,331
ADAGH Finances	50	121	215	386	Kidal 386
Total	101,322	230,419	21,824	353,565	

Note: Cumulative numbers.

Indicator 3.3.c – Cumulative Number of long- and medium-term loans provided through targeted microfinance networks in targeted areas				
MFI Network	Loans to women	Loans to men	Total long- and medium-term loans	Regional breakdown
Nyèsigiso	31	87	118	Segou 1,Bamako 117
Kafo Jiginew	0	37	37	Sikasso 35, Koulikoro 2
Total	16	59	75	

Note: Cumulative amount of Year 2 and Year 3.

ANNEX C: CUMULATIVE BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.a – Cumulative Number & Amount of loans provided to agroentrepreneurs accessing credit through banks in targeted areas in CFAF										
Type of Borrower	Sikasso		Segou		Mopti		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	-		5	28,420,000	-		5	11%	28,420,000	7%
Women	3	19,000,000	1	5,000,000	-		4	9%	24,000,000	6%
Groups/companies	20	133,904,750	14	199,519,100	1	4,331,250	35	80%	337,755,100	87%
Total	23	152,904,750	20	232,939,100	1	4,331,250	44		390,175,100	100%
Percent of borrowers	52%		53%		2%		100%			
Percent of amount		39%		72%		1%			100%	100%

Ind. 3.a – Cumulative Number & Amount of loans provided to agroentrepreneurs accessing credit through banks in targeted areas in $US										
Type of Borrower	Sikasso		Segou		Mopti		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	-		5	56,840	-		5	11%	56,840	7%
Women	3	38,000	1	10,000	-		4	9%	48,000	6%
Groups/companies	20	267,810	14	399,038	1	8,663	35	80%	675,510	87%
Total	23	305,810	20	465,878	1	8,663	44		780,350	100%
Percent of borrowers	52%		53%		2%		100%			
Percent of amount		39%		72%		1%			100%	100%

ANNEX C: CUMULATIVE BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.b – Cumulative Number & Amount of investment projects realized in CFAF				
Type of Borrower	Bamako		Total	
	No.	Amount	No.	Amount
Men	4	1,680,000,000	4	1,680,000,000
Women	–	–	–	–
Total	4	1,648,000,000	4	1,680,000,000

Ind. 3.b – Cumulative Number & Amount of investment projects realized in $US				
Type of Borrower	Bamako		Total	
	No.	Amount	No.	Amount
Men	4	3,360,000	4	3,360,000
Women	–	–	–	–
Total	4	3,360,000	4	3,360,000

ANNEX C: CUMULATIVE BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.c – Cumulative Number& Amount of loans provided to entrepreneurs accessing credit through microfinance institutions in targeted areas in CFAF																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	28	102,150,000	130	54,700,000	8	27,400,000	–	–	63	5,214,508	9	2,750,000	238	56%	192,214,508	36%
Women	15	85,500,000	72	28,035,000	1	1,000,000	–	–	32	7,086,362	8	1,600,000	128	30%	123,221,362	23%
CSV groups	–		4	1,264,000	18	112,592,090	5	6,007,400	32	17,262,365	1	220,500	53	12%	137,346,355	26%
Rice trader women groups	–				4	6,500,000	2	3,250,000	–		–		6	1%	9,750,000	2%
Potatoes groups	–		3	66,000,000	–		–		–		–		3	1%	66,000,000	12%
Total	43	187,650,000	209	149,999,000	31	147,492,090	7	9,257,400	120	29,563,235	18	4,570,500	428	100%	528,532,225	100%
Percent of borrowers	10%		49%		7%		2%		28%		4%		100%			
Percent of amount		36%		28%		28%		2%		6%		1%			100%	100%

Ind. 3.c – Number & Amount of loans provided to entrepreneurs accessing credit through microfinance institutions in targeted areas in $US																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal and Gao		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	28	204,300	130	109,400	8	54,800	–		63	10,429	9	5,500	238	56%	384,429	36%
Women	15	171,000	72	56,070	1	2,000	–		32	14,173	8	3,200	128	30%	246,443	23%
CSV groups	–		4	2,528	32	341,325	5	12,015	25	34,525	1	441	53	12%	274,693	26%
Rice trader women groups	–				2	13,000	2	6,500	–		–		6	1%	19,500	2%
Potatoes groups	–		3	132,000	–		–		–		–		3	1%	132,000	12%
Total	43	375,300	209	299,998	43	384,125	7	18,515	120	59,126	18	9,141	465	100%	1,057,064	100%
Percent of borrowers	10%		49%		7%		2%		28%		4%		100%			
Percent of amount		36%		28%		28%		2%		6%		1%			100%	100%

Note: Cumulative numbers for Year 2 and 3. Year 1 had another definition.

ANNEX C: CUMULATIVE BREAKDOWN BY REGION/PERFORMANCE

Ind. 3.a, 3.b, and 3.c Combined – Cumulative Number & Amount of loans provided to entrepreneurs in targeted areas in CFAF																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	32	1,782,150,000	130	54,700,000	13	55,820,000	–		63	5,214,508	9	2,750,000	247	52%	1,900,634,508	73
Women	15	85,500,000	75	47,035,000	2	6,000,000	–		32	7,086,362	8	1,600,000	132	28%	147,221,362	6
Groups/Companies	–		20	133,904,750	14	199,519,100	1	4,331,250					35	7%	337,755,100	13
CSV groups	–		4	1,264,000	18	112,592,090	5	6,007,400	25	17,262,365	1	220,500	53	11%	137,346,355	5
Rice trader women groups	–				4	6,500,000	2	3,250,000	–		–		6	1%	9,750,000	1
Potatoes groups	–		3	66,000,000	–		–		–		–		3	1%	66,000,000	3
Total	47	1,867,650,000	232	302,903,750	51	380,431,190	8	13,588,650	120	29,563,235	18	4,570,500	476	100%	2,598,707,325	
Percent of borrowers	10%		49%		11%		2%		25%		4%		100%			
Percent of amount		72%		12%		15%		1%		1%		0.2%			100%	

Ind. 3.a, 3.b, and 3.c Combined –Cumulative Number & Amount of loans provided to entrepreneurs in targeted areas in $US																
Type of Borrower	Bamako		Sikasso		Segou		Mopti		Tombouctou		Kidal		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	%	Amount	%
Men	32	3,564,300	130	109,400	13	111,640	-	-	63	10,429	9	5,500	247	49%	3,801,269	73%
Women	15	171,000	75	94,070	2	12,000	-	-	32	14,173	8	3,200	132	26%	294,443	6%
Groups/Companies	-		20	267,810	14	399,038	1	8,663					35	7%	675,510	13%
CSV groups	-		4	2,528	18	225,184	5	12,015	25	34,525	1	441	53	11%	274,693	5%
Rice trader women groups	-				4	13,000	2	6,500		-		-	6	1%	19,500	0.4%
Potatoes groups	-		3	132,000		-		-		-		-	3	1%	132,000	3%
Total	47	3,735,300	232	605,808	51	760,862	8	27,177	120	59,126	18	9,141	476	100%	5,197,415	100%
Percent of borrowers	10%		49%		11%		2%		25%		4%		100%			
Percent of amount		72%		12%		15%		1%		1%		0.2%			100%	100%

ANNEX D: PERFORMANCE RESULTS FROM THE NEW CONSOLIDATED PMP (2006-2007)

Ind. 3.a – Number of loans provided to agroentrepreneurs and producer organizations accessing credit through banks in targeted areas							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
0	9	8	40	57	56	1	102%

Ind. 3.b – Number of loans provided to agroentrepreneurs and producer organizations accessing credit through partner MFIs						
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	% target value achieved
0	203	589	430	1019	926	110%

Ind. 3.1.a – Amount of loans for selected agricultural commodities (in million CFAF)							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
0	197.1	672.6	2004.2	2677	2162	+515	124%

Ind. 3.1.b – Loan repayment rates for selected agricultural commodities						
Baseline value	2004 actual	2005 actual	2006 actual	2006 target	Variance from target	% target value achieved
0	100%	72%	93%	95%	-2%	98%

Ind. 3.2.b - Number of individuals trained in business development services							
Baseline value	2004 actual	2005 actual	2006 actual	2006 cum achieved	2006 target (cum)	Variance from target	% target value achieved
0	240	704	764	1708	1530	+178	112%

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

ANNEX E: DCA PROGRAM IN MALI

Company	Project Title	Total Project Cost ($ 000')	Total Loans to Banks ($000')	Loan to BICIM ($000')	Loan under DCA ($000')	DCA Guarantee ($000')	Commentaries
TAMAK S.A.	Tannery	1 350	610	380	380	190	The project was financed by the BICIM in 2003. Becausse of a slow start and poor management, BICIM put this loan into collection due to arrears.
SIGAZ S.A.	Diversification of production toward agriculture, now composed of bottled domestic and medical gas.	1 800	300	300	300	150	Diversification toward agriculture with gas torch to burn bad weeds in the rice perimeters canals and bottled butanes gas in the rural areas to improve the revenues of farmers by transforming some agricultural products in a dried format. Environment friendly project. The BICIM approved the financing of the file in 2 006. Funds have been disbursed and the business is expanding.
	Totals:	3 150	910	680	680	340	
Disbursed Loans	**Multiplicator Effect:** Tota Project Cost / DCA Guarantee	**9,3**			**Percentage Use of DCA**	**22,7%**	
Grands Moulin du Mali S.A.	Development of a Livestock feed animal plant	3 218	2 000	2 000	600	300	The BICIM approved the financing in 2005, and his waiting to review the company this month. Sales doubled in less than five years. This company received a grant of $300,000 from USDA to complete the feasability study.
Avifarm S.A.	Production of one day old chicks	697	545	545	545	272,5	BICIM approved the financing in 2005. Due to avian flu, the company delayed the expansion project until the situation would be more clear. Now, there is no more avian flu in West Africa. This expansion will probably occur in 2007, as BICIM re open the request of loan.
	Totals:	3 915	2 545	2 545	1 145	573	
Authorized but not Disbursed	**Multiplicator Effect:** Tota Project Cost / DCA Guarantee	**6,8**			**Percentage Use of DCA**	**38,2%**	
	Totals:	7 065	3 455	3 225	1 825	913	
Disbursed and Authorized but not Disbursed	**Multiplicator Effect:** Tota Project Cost / DCA Guarantee	**7,7**			**Percentage Use of DCA**	**60,8%**	
SOMAFEM SA	Production unit of cardboard packing	3 000	2 000	600	600	300	BOAD agreed to take part in the project financing for $2 millions. OikoCredit is analyzing this project to be part of the shareholders. Locals banks are interested too. Probability of finance in 2007.
Refrigerating Slaughter-house of Bamako / SEM	Rehabilitation of the refrigerating slaughter-house of Bamako	1 959	986	600	600	300	The business has been just finalized. It will be transmitted to BICIM S.A and other banks this month.
Mme TOURE Alima	Fruit juice plant	1 541	890	600	600	300	The promoter is in debate with the equipment suppliers. As soon as she makes her choice, we will send the file to BICIM SA. for financing.
	Totals:	6 500	3 876	1 800	1 800	900	
DCA Pipeline Loans	**Multiplicator Effect:** Tota Project Cost / DCA Guarantee	**7,2**			**Percentage Use of DCA**	**60,0%**	
	Totals:	13 565	7 331	5 025	3 625	1 813	
Actual and Potential Loans	**Multiplicator Effect:** Tota Project Cost / DCA Guarantee	**7,5**			**Percentage Use of DCA**	**120,8%**	Only two cases will be possible on this DCA Agreement totaling 1,500,00

ANNEX F: OPIN IEHA INDICATORS

OPIN Indicators			Achieved FY 05	Target FY 06	Achieved FY 06	% Achieved FY 06	Target FY 07
		Contractor					
Beneficiaries							
OPIN-1	Number of rural households benefiting directly from interventions						
		Mali Finance	589	432	430	99.5%	721
OPIN-2	Number of vulnerable households benefiting directly from interventions						
		Mali Finance	181	50	137	274%	68
OPIN-3	Number of agricultural-related firms benefiting directly from interventions						
		Mali Finance	12	39	40	103%	33
Training							
OPIN-4	Male attendance in training						
		Mali Finance	402	375	502	134%	327
OPIN-5	Female attendance in training						
		Mali Finance	302	250	262	105%	218
Organizations							
OPIN-6	Number of producer organizations, water user associations, trade and business associations and CBOs assisted						
	(We do not count all finance to CSV, as Trade	Mali Finance	8	30	37	123%	24
	is counting it, just specific TA cases)						
OPIN-7	Number of women's organizations/associations assisted						
		Mali Finance	0	10	8	80%	15
Partnerships							
OPIN-8	Number of public-private partnerships formed						
		Mali Finance	6	3	7	233%	2
Technologies							
OPIN-9	Number of technologies made available for transfer						
		Mali Finance	3	1	1	100%	1

ANNEX G: INTERVENTION SITES BY REGION AND ACTIVITIES

3. a Intervention Sites by Loans

Region	Sites	Groups	Men	Women	Total	BDS Partners
SIKASSO	Sikasso	1		1	2	ACOD NYETASO
	Niena	1		1	2	
	Zangaradougou	2			2	
	Tiogola	2			2	
	Kapala	2			2	
	Maro	2			2	
	Klela	2			2	
	Zignasso	2			2	
	Koutiala			1	1	Mali Finance
SEGOU	Molodo			1	1	NYETA CONSEILS
	N'débougou	2			2	
	Diabaly	2			2	
	Macina	2			2	
	Kanasso	2			2	
	Niono		5		5	
	Kolongo	2			2	
	Kokry	2			2	
	ouahigouya	1			1	
	Koyan Kouna	1			1	
MOPTI	Fatoma	1	-	-		SABA
TOTAL		29	5	4	38	-

ANNEX G: INTERVENTION SITES BY REGION AND ACTIVITIES

3.1a Intervention Sites by BDS Services

Services	Region	Sites	Groups	Men	Women	Total
Services with Mali Finance assistance	SIKASSO	**Sikasso**	4	3	2	9
		Niena	4	1	1	6
		Zangaradougou	2	1	1	4
		Tiogola	2		1	3
		Kapala	2		1	3
		Maro	3		1	4
		Klela	3		1	4
		Zignasso	3		1	4
		Koutiala	**1**			1
	SEGOU	**Ségou**	2	9		11
		Molodo	1	2		3
		N'débougou	1	2		3
		Diabaly	2	2		4
		Macina	1	2		3
		Kanasso	1	2		3
		Niono	5		2	7
		Kolongo	1			1
		Kokry	1			1
		ouahigouya	1			1
		Koyan Kouna	1			1
	MOPTI	**Sévaré**	3	1	2	6
		Korientzé	4			4
		Fatoma	4			4
		Djenné	1			1
Services Without Mali Finance assistance	KAYES	Kayes ville	-	1	-	1
	BAMAKO	Bamako ville	-	20	5	25
	MOPTI	Mopti ville	-	1	1	2
TOTAL			**53**	**47**	**19**	**119**

ANNEX G: INTERVENTION SITES BY REGION AND ACTIVITIES

3.1b Intervention Sites by Direct Trainings

Region	Sites	Training Modules	Men	Women	Total
BAMAKO	Bamako	Atelier de Consolidation Faire croître votre entreprise de consultance	12	5	17
		Outil Analyse financière crédit moyen terme	14	5	19
		Analyse projets investissement	3	7	10
		Micro plan Adapté	00	19	19
SIKASSO	Sikasso	ComptEx	12	7	19
		Micro plan Adapté	00	19	19
SEGOU	Niono	Outil Analyse financière crédit court terme	17	1	18
		Outil Analyse financière crédit moyen terme	11	2	13
		ComptEx	15	4	19
	Ségou	Micro plan Adapté	00	18	18
		Outil Analyse financière court terme - BNDA	21	1	22
MOPTI	Koa	Micro plan	11	7	18
	Djenné	Micro plan	12	3	15
	Youwarou	Micro plan	10	10	20
		Outil Analyse financière crédit moyen terme	15	4	19
		Micro Plan adapté	00	18	18
TOMBOUCTOU	Diré	Micro plan	13	2	15
GAO	Gao	Micro plan	28	06	34
		Crédit MT	13	01	14
	Ansongo	MicroPlan Adapte	13	05	18
KIDAL	Kidal	ComptEx	10	05	15
		Outils de gestion d'une caisse d'épargne	2	1	3
		Rôles et responsabilités des dirigeants d'une caisse d'épargne	5	-	5
		Politique de crédit et de mise en place de procédures comptables	1	1	2
TOTAL			**238**	**151**	**389**

ANNEX G: INTERVENTION SITES BY REGION AND ACTIVITIES

3.1b Intervention Sites by Indirect Trainings

Region	Sites	Training Modules	Men	Women	Total
BAMAKO	Bamako	Formation des conseillers STEP au module CompEx	13	4	17
		Formation en leadership et management des Femmes en AGR	0	40	40
		Formation a la création d'entreprise	18	7	25
		Gestion d'entreprise	19	6	25
		Gestion et Marketing	19	16	35
		GERME	5	0	5
		Comptabilité	59	15	74
SIKASSO	Sikasso	Suivi Micro projets	37	5	42
MOPTI	Mopti ville	Création et Gestion d'entreprise	0	38	38
TOMBOUCTOU	Tombouctou ville	Epargne Crédit	0	30	30
		GERME	37	7	44
TOTAL			**207**	**168**	**375**

ANNEX H: SUCCESS STORIES

SUCCESS STORY

USAID Helps Malian Businesses Improve Accounting Practices

Before the ComptEx training, small business accounting support was nearly nonexistent among the trained businesses.

"The Mali Finance training was extremely beneficial for me. It resulted in growth for my business as well as for myself personally. All our debts and credits have been reimbursed and sales have increased by $200 per month."

- N'Tio Diarra, "Moulins 2000"

U.S. Agency for International Development
www.usaid.gov

Many small businesses in Mali have difficulty keeping accurate financial records, which limits productivity and impedes business growth. Without proper accounting, business cannot properly track sales, collect on past due accounts, or give credit. USAID's Mali Finance project is giving small businesses tools to improve accounting techniques. One such tool is ComptEx, a basic accounting package that helps businesses create earnings statements and balance sheets and monitor cash flow and accounts. Since 2003, Mali Finance has trained 64 small businesspeople in ComptEx.

In 2005, Mali Finance conducted a ComptEx training seminar for 14 agribusinesses in Bamako, including *Moulins 2000*, a small poultry feed business started in 1999. Accountant N'Tio Diarra remembers numerous problems: irregularity in record keeping, disorderly meetings, inaccurate business contact information, high debts, and an inefficient division of accounting responsibilities among staff.

But Mr. Diarra put the training to work and permanently changed the way *Moulins 2000* keeps its accounts. After training, he started recording transactions daily and in order and kept accurate information on accounts, including exact debit amounts and credits due. The business was then able to track credit and recover all of its debts. Sales increased by $200 per month, thanks to the new billing structure that it negotiated with its suppliers. Although he could not imagine it before the USAID-sponsored training, Mr. Diarra now has his books in order and is able to produce current and accurate information on the financial status of the business.

FIRST PERSON

Phénix Management Doubles Sales

USAID-sponsored business training has greatly improved the organizational framework and output of a Malian consulting firm.

PHOTO: AISSATA SYLLA / MALI FINANCE

"Ever since the training, we work much better because we increased efficiency, quality of work, and the confidence of our partners."

—Garibou J. Yalcouyé, Phénix Management

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Garibou Joseph Yalcouyé is helping Malian businesses make smarter decisions. A trained banker, Mr. Yalcouyé was a risk manager at EcoBank, one of Mali's largest private banks. He decided to put his experience in credit and risk assessment to work for Malian entrepreneurs by creating Phénix Management, a business consulting firm, in August 2001. With the assistance of his three employees and occasional private consultants, he helps viable investment projects in Mali obtain credit from banks. His firm accompanies entrepreneurs through each step of the planning and financing process.

USAID's Mali Finance project helped Mr. Yalcouyé grow his new business through training. From December 2004 to May 2006, Mali Finance offered a training series on establishing sound business practices for 17 businesses, including Phénix Management. Yalcouyé attests, "The trainings refined and rationalized my outlining tools….I improved the organization, pricing, and categorization of my training tools. We are now able to offer a more thorough training in the planning of administrative and operational procedures. With our assistance, our customers have become more confident in the market."

As a former banker, Yalcouyé is able to work easily with bank representatives to create business plans which obtain upwards of 6 million CFA in financial support. Improvements in Phénix's services resulted in a doubling of sales from 30 million CFA in December 2004 to nearly 60 million CFA in May 2006.

The consulting profession is new in Mali, says Mr. Yalcouyé, who wants to multiply opportunities for others. He has just secured a contract with the BCS bank and is busy preparing training sessions. He says that these projects and the creation of his firm's Web site are the fruit of his USAID-sponsored training. Equipped with new business tools and capabilities, Phénix has become a key consulting firm in the Malian banking industry. Thanks to USAID's support, Phénix Management is poised to launch Malian businesses into productive futures.