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Mali Equity Fund Feasibility Study

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Abt Associates Inc.
Suite 600
4800 Montgomery Lane
Bethesda, MD 20814-5341

Prepared by
Don Humpal
Robert Dressen
Development Alternatives, Inc.

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Author(s)
Don Humpal and Robert Dressen
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Contractor
Abt Associates Inc.
4800 Montgomery Avenue
Hampden Square, Suite 600
Bethesda, MD 20814
Tel: (301) 913-0500
Fax: (301) 652-3618

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I. EXECUTIVE SUMMARY

To determine the feasibility for USAID/Mali to establish an equity fund to induce greater investment in agribusiness, Messrs. Humpal and Dressen of DAI performed the following tasks under the Abt Associates Agricultural Policy Development work order:

1) Assessment of the investment climate to determine the quantity and quality of potential investments and to ascertain the nature of the financing needed, i.e. debt or equity.
2) Analysis of the shortcomings and obstacles in the companies seeking investment and in the overall agribusiness environment.
3) Evaluation of the financial sector in order to identify existing and potential lenders, investors, and other entities serving the financial and capital markets. Appraisal of gaps and barriers that exist within the sector.
4) Investigation of the legal and regulatory structure that would apply to an equity fund.
5) Identification of linkages that can be made between existing financing schemes, different players in the market, and those providing technical assistance and other support to either businesses or financial institutions.

The findings and recommendations were largely formed through discussions with various stakeholders which included the following: BCEAO, banks, insurance companies, leasing companies, microfinance institutions; stockbrokers (SGI), guarantee funds (FGHM); business associations, business people, potential private investors; lawyers and audit firms; USAID contractors (CAE, MFI, Action for Enterprise) and other donors. A full list of meetings is included in Annex 1.

The team concluded that ***a traditional equity fund is not feasible at the present time*** due to the lack of a sufficient flow of investment quality opportunities, the high probability of inadequate returns on investments and uncertain exit strategies in a reasonable time frame, lack of flexibility and innovation among financial institutions, the absence of an appropriate legal structure for such a fund, and the nascent stage of development of capital markets in the country.

The ***principal obstacle is not the supply of money or the demand for debt and equity***. In theory, financing should be available since banks are highly liquid, a range of different kinds of financial institutions exist, guarantee funds and other credit enhancement mechanisms are available, and the basic framework for capital markets has been created by the UEMOA. Apart from financial institutions, it is known that a significant number of Malians, both in the country and abroad, have funds to invest, although this level of investment has not been quantified. On the demand side, based on the agribusiness projects surveyed, there is a medium and long-term financing need of USD 58.5 million. The basis for this estimate is given in Table 1 in the main text.

Rather, ***the principal obstacles lie in business, financial, and legal and regulatory factors.*** A synopsis of these barriers in each sector is as follows:

- **Business:** There are ***not enough investment quality companies*** in which a fund can invest. Companies of all sizes are often weak in technical, commercial, and managerial terms. Financially, they cannot produce either the profits that would allow them to pay dividends or the capital appreciation in the time frame that investors would expect.

  Furthermore, the ***companies operate in an economic environment that adds unreasonable costs*** to their operations directly or indirectly through high taxes, inadequate infrastructure, arbitrary application of laws, and trade barriers. All of these contribute to an investment environment that is perceived by lenders and potential investors to be high risk.

- **Financial:** ***Banks are overly conservative*** requiring too much security for their loans, are ***constrained in the amount of medium and long term lending*** by the low availability of long term deposits, and are not flexible or innovative in structuring financing packages. They are particularly risk averse regarding agribusiness and small and medium sized companies. Other financial entities, such as leasing companies and insurance companies, share many of the same characteristics.

  Decentralized financial systems (SFDs), which are the logical conduit to finance micro and small entities, ***lack financial and technical resources*** to expand their lending to agribusiness and the longer-term.

  On the ***capital markets*** side, although some of the basic laws have been legislated, in practice ***nothing much functions except the rudiments*** such as one Malian stock broker (SGI) and one local guarantee fund (FGHM). Very few deals have been done, resulting in a very shallow market. Regional capital markets, while more active, are still very shallow. There are only seven agricultural firms, all Ivoirien, listed on the regional stock market, for example.

- **Legal and Regulatory:** Currently, the ***only way to create an investment fund is to obtain a banking license*** and comply fully with all the ensuing regulation and supervision of the Central Bank of West Africa States (BCEAO). The minimum capital requirement is FCFA 300 million ($414,000). Although the need for new regulation governing investment funds has been recognized by the BCEAO and work has begun to draft new legislation, application of new laws is not expected before two to three years.

Given the genuine need for financing and equity within the agricultural sector which is hampering its growth, ***there is a definite and critical role for USAID to play***. Unless many of the obstacles mentioned above are addressed, it will be unlikely that there will be improved access to financing for the agricultural sector.

Many of the identified obstacles can be overcome within the next five years through a dedicated effort to assist businesses to become investment quality, to help existing financial institutions address their problems, to broaden and deepen capital markets institutions, and to promote changes in laws and their application. To achieve the above, ***it is advisable that a separate initiative be designed that is distinct from, but complementary to, other USAID projects.*** Its sole purpose would be to improve access to financing for all size of agribusinesses. While the focus would be financing for the agricultural sector, there would undoubtedly be a beneficial effect on other sectors of the economy.

In the short term (1 – 3 years), the objective would be to find ways to overcome existing obstacles and facilitate financing for the agricultural sector. The strategy would be to work with existing institutions and financing schemes, using instruments such as guarantees programs, on the one hand and, on the other hand, to help businesses improve their investment quality. This improvement would be achieved by conducting pilot test projects, by structuring deals that can be used as models by other lenders, by strengthening financial institutions that lend to agribusiness, and by forging linkages among stakeholders.

In the medium term (4 -6 years), the goal would be to broaden and deepen financial and capital markets so that an investment fund for agriculture can be successful. The strategy would be to find ways to develop financial instruments for agribusiness that can be incorporated into the financial and capital markets, by collaborating with other stakeholders to overcome legal and other structural obstacles, and to promote a culture of financial innovation and investing.

This report recommends improving access to financing in the current, constrained environment through the ***creation of a "Financial Facilitation Center" (FFC).*** This center could be established along the lines of the Small Business Assistance Centers (SBACs) that are run by the Small Business Administration in the United States,or, along the lines of the Financing Units created within Business Development Services (BDS) projects in countries like Albania (SMEDA), Ukraine (Bizpro), Zimbabwe (LEAD), and the West Bank/GAZA (MAP). The FFC would work closely with all of the USAID projects which have a financing or business development component, such as CAE. The FFC would serve as a financial and investment advisor.

II. FEASIBILITY OF A DEBT AND EQUITY INVESTMENT FUND

The Abt team was requested to determine the feasibility of an investment fund for agriculture. Although they were required to investigate many parts of the financial sector as they relate to an investment fund and also to evaluate the potential number and quality of investments and investors; this report should not be construed as a comprehensive review of the general business, financial, and legal environments. Rather, the report describes the elements found in each of those environments that affect the feasibility of a debt and equity investment fund or that support conclusions and recommendations made by the team.

Criteria for an Investment Fund

For a traditional investment fund for either debt or equity to successfully operate, there are pre-requisites to be found in the economic, political, and social conditions in a country. Since investors in funds want to mitigate their risks, they are only ready to invest when a certain level of economic and political stability exists and is expected to continue at least over the life of their investments. If that situation prevails, then there should be a sufficient number of investors in a liquid market like Mali. These investors will seek investments that are highly likely to generate sufficient returns in the form of interest and/or dividends or else in capital appreciation, all within a reasonable period of time. They will also require a way to liquidate their investments in an orderly and timely manner. Of course, there are different kinds of investors who accept varying degrees of risk.

Since an investment fund's objective is to make money for its investors, it is essential for them that they have a sufficient number of high quality companies in which to invest. Furthermore, even though some funds invest in only one industry segment, such as agriculture, they still require a degree of diversity within that sector. For companies to be of investment quality, they must be successful technically, commercially, and financially. They must have experienced, high quality management and the resources to deliver results throughout all economic cycles.

Even if there are a sufficient number of investment quality companies and investors and a stable economy, an investment fund still cannot operate unless the financial and capital markets are well enough developed to launch, distribute, and manage the investment fund. The same applies to having the right laws that permit a fund to be created and operate in a regulated environment. Financial institutions need to be dynamic, innovative, and competitive so that new financial instruments and markets are built.

Conditions in Mali that Impact Investment Fund Feasibility

If one looks at the current situation in Mali, the conclusion is that the pre-conditions for a traditional investment fund do not exist. While economic and political stability is improving, they have not stood the test of time. There is not a culture of investing in businesses other than self-owned ones. There is a dearth of well-run, profitable companies. Banks are little more than deposit takers and selective lenders. Capital markets including the stock market, private placements, and secondary markets are virtually non-existent.

Nonetheless, countries at Mali's stage of development need to build financial and capital markets if they are ever to progress economically. This has already been recognized in the UEMOA and the fundamental structures are gradually being created.

If Mali's economy is to make permanent progress, improved access to financing for agricultural businesses, as well as all others, is critical. The need is greatest for small and medium sized businesses, entities operating in rural areas, and any business needing medium and long term funds, all of which are nearly excluded from the present financial system. All would benefit from USAID's intervention.

Role for USAID

Therein lies the reason for USAID to find a way to move the market forward. It would be overly ambitious and beyond the realm of the Strategic Objective #7 to undertake to lead the reform and development of the entire financial sector. However, USAID could play a vital role in stimulating change and the development of financial and capital markets. It could work in the agricultural subsector to help structure deals, design new financial instruments, and build linkages among stakeholders. In so doing, first, access to financing for selected agribusinesses would be improved; and, second, the underlying markets would have models to use to expand their activities. In time, perhaps five years, the necessary conditions would be in place to launch a genuine investment fund.

Overcoming Obstacles to an Investment Fund

As was mentioned in the Executive Summary, obstacles exist in the business, financial, and legal and regulatory environments. Some of the potential solutions to overcome them are listed below. They are discussed in greater detail throughout the report.

Business:

Obstacle: There is an insufficient number of investment quality companies.
Solution: Work through existing business associations such as APROFA, APEP, FEBEVIM, and SEPA to improve the quality of their members' businesses.

Obstacle: Companies cannot access bank lending for medium and long term loans.
Solution: Work with CAE and other similar organizations to improve the quality of loan applications.

Obstacle: Companies need help to find technical and commercial partners.
Solution: Use CAE and others to identify partners and develop competitiveness.

Obstacle: High cost of doing business.
Solution: Assist business associations to lobby for changes and organize themselves to initiate change. Provide an incentive program for the government to implement changes, perhaps through non-project assistance (NPA) that targets a well-researched set of policy and regulatory constraints.

Financial:

Obstacle: Banks are overly conservative requiring too much security for loans and risk averse about agriculture and small and medium sized companies.
Solution: Train bank loan officers how to analyze and structural agricultural deals and how to lend safely and cost effectively to small and medium sized businesses. Expand the use of loan guarantees.

Obstacle: Banks do not have sufficient longer term deposits and capital to fund long term loans.
Solution: Collaborate with banks to design longer term savings products. Encourage the use of the loan guarantees so that capital is freed to use for long term lending.

Obstacle: Leasing companies are not actively lending to agribusiness.
Solution: Find ways to include leasing companies as beneficiaries of loan guarantees.

Obstacle: Insurance companies do not invest their long term funds in agriculture.
Solution: Issue bonds with USAID guarantee that insurance companies can buy.

Obstacle: SFDs lack the financial and technical resources to lend more to agribusiness and micro, small, and medium enterprises.
Solution: Include creditworthy SFDs as beneficiaries under loan guarantees. Guarantee issues of bonds of which the proceeds are lent to SFDs. Provide technical assistance to SFDs or specialized SME/SMI lenders such as Crédit Initiative.

Obstacle: Capital market institutions such as SGI and FGHM are very new and do not have sufficient deal flow.
Solution: Work through these institutions to structure deals with credit enhancements, primarily guarantees.

Legal and Regulatory:

Obstacle: UMEOA and BCEAO regulations presently require that an investment fund obtain a banking license and comply thereafter with all regulations and reporting.
Solution: Build a working relationship with the officials as they change the laws governing investment funds so that the changes are realistic and address the real issues.

Obstacle: It is difficult to obtain land titles which can be used as security for loans.
Solution: Collaborate with existing entities that are seeking to change the system for obtaining land titles.

III. BUSINESS ENVIRONMENT

The general business environment in Mali has been described by a variety of authors.[i] It is characterized as having:

- A dominant informal sector composed of many small, medium, and micro-enterprises with a strong barter as well as cash component
- A formal sector that has very few large firms, and a few thousand small and medium businesses. Most of these firms have a strong focus on trading and retailing.
- Most firms are structured as family firms with a single decisionmaker. Key financial, technical, and management skills are often missing.
- A heavy-handed administration, although some simplification of business registration and operating procedures is taking place
- High operating costs associated with a poor infrastructure, especially in a road network that lags behind the entire subregion, poor power supply, and telecommunications that lag compared to regional countries of similar size;
- A domestic market with low purchasing power
- A poorly educated and inexperienced workforce
- Corruption that still pervades many aspects of the public-private interface, nationally and regionally

On the positive side, Mali has:

- Low-cost labor
- A stable government
- A substantial land base that has good access to water
- Experienced gradual improvements in the application of commercial laws (OHADA) and accounting codes (SYSCOA) and standards.
- Membership in a customs union with a unified external tariff system
- Gradually reduced bureaucracy
- Increasing near-neighbor markets for products in which it has good comparative advantage

Assuming that the new Malian government, especially the new parliament that should be in place and operating by July 2002, maintains political stability and continues the process of administrative and legal reform in a manner consistent with regional trends, the business environment in Mali should continue to improve.

Mali's agribusiness environment is dominated by rainfed production of cotton, sorghum, millet, maize, livestock, mangoes, and gathered non-timber forest products, with a significant contribution from irrigated rice, shallots, potatoes, and other vegetables and minor crops. When it rains the economy grows. During drought years the economy shrinks. It has yet to harness its water resources in ways that would simultaneously permit significant expansion in irrigated area and sustained protection of its important fisheries and wetlands ecosystems in the Niger River's inland delta. Expansion in irrigated area would help to dampen the weather induced swings in agro-enterprise performance, improving overall investor confidence and helping to stabilize consumption as well as production. Cotton is the largest export earner for the country. Cotton production varies with rainfall, the cyclical demand for cotton fiber, and cotton prices. Cotton prices, margins and terms of trade have deteriorated over the past several years as market prices have declined, while input prices have steadily climbed. Cotton exports and the outlook for cotton exports, underpin much of the financing for overall agricultural production. When its outlook declines, financing for the agricultural sector shrinks.

Pre-Conditions for the Establishment of an Investment Fund

The establishment of an investment fund requires the following pre-conditions:

- Relative lack of investment capital (although there has to be enough to build up a fund);
- The availability of enough investment opportunities with high income and/or capital appreciation to validate an investment fund model and attract professional management that is willing to put significant personal capital at risk. In the US each partner/manager is expected to put up $5-8 million of his or her own funds. In a market as small as Mali's one would expect each manager to put up at least $1 of personal assets. This level of risk ensures careful selection and management of investments. In practice this care translates into selection of only about 5% of eligible projects for investment.
- A high probability of being able to sell investments and return substantial profits to investors in what is often called a liquidity event, or exit-strategy;
- A low cost of doing business (efficient infrastructure, low wage rates, low taxes, low transaction costs), access to a low cost asset base (either physical assets such land, water, timber resources), potential to rapidly increase productivity through technology or management transfer, or intellectual capital found in a highly skilled workforce or technology innovation center
- Registration and regulation that permits flexible financial management through access to private (institutional and individual) and public (stock-market) equity; availability of debt financing from commercial and merchant banks, a private and public bond market, and leasing companies, among others.
- A mix of healthy firms of all scales, micro, small, medium, and large.

Most of all an investment fund must be able to deliver adequate returns to equity placed. Not every, or even most of the investments will pay out. But, there must be a few very successful investments to compensate the failures. As a general rule of thumb, no more than 5% of the assets of a venture capital fund would be invested in a single firm, and the fund must have the ability to take control of the management of the enterprise. Most investments will have to have a 25% rate of return before a venture capital fund will consider putting equity in them.

In Mali, few of these preconditions are met. While individuals complain about the availability of equity, they also appear to be unwilling to sell equity to people outside their family. As we will show in the following section, the population of projects with bankable business plans is relatively small in the agribusiness sector, about 50 or so. There do not appear to be very many sales of companies in Mali, and there are no Malian firms listed on the regional stock market. There appear to be opportunities to substantially boost productivity and improve marketing of agricultural products both domestically and internationally, if basic transport costs can be brought down. Projects that target these opportunities appear to have rates of return (25-35%) that would qualify them as potential venture capital targets. The regulatory environment, however, is complicated, unpredictable, and appears to be populated with many rent collectors. One of the key issues is the availability of medium-term and long-term debt that could be leveraged with equity investments. On the positive side, the Malian government is not an aggressive competitor with the private sector in the issuance of bonds, partly because the BCEAO regulates bond issuance, keeping coupon interest rates paid out within reason. On the negative side, a lot of money is tied up in trading which tends to have a very high rate of return, reportedly about 35% and up. Also, banks take in mainly on-demand deposits, and have very few medium and long-term deposits to use as an asset base for long-term lending.

Potential Agricultural Enterprise Investments

We estimated the demand for medium to long-term private investment and credit in the agricultural sector primarily through interviews of organizations that identify, develop and promote agricultural projects. These perspectives were complemented with additional discussions with banks, financial institutions, donors, and companies in the agricultural sector.

We looked primarily at three organizations in Mali that are dedicated to the identification, development, and promotion of private agricultural enterprise investments.[ii] The National Center for Investment Promotion (CNPI) deals primarily with medium and large-scale projects across all sectors.[iii] The lower end of their 6 agroindustrial projects is in the 300 million FCFA ($414,000) range. The upper end of their current projects is the 181.3 billion FCFA ($250 million) Markala Sugar Project. The financing needs for the Markala Sugar Project will require an international financing pool to be put together. We have excluded this project from our tabulation of bankable projects, because its inclusion would greatly distort the financial analysis of the micro, small, and medium scale projects in which USAID is interested.

The Centre Agro-Enterprise (CAE) is funded by USAID and managed by Chemonics International. The forty-two (42) small and medium-scale enterprise projects approved for promotion range from a low of 5 million FCFA (about $7,000) to a high of 4 billion FCFA (a bit more than $5.5 million). The third organization, the Agence pour la Promotion des Filières Agricoles (APROFA), deals with micro, medium and small agro-enterprises that have been in existence for at least two years. Its current portfolio of project requests contain projects that range in value for from 5 million FCFA ($7,000) to about 1 billion FCFA ($1.38 million). Only partial information was available on APROFA's current portfolio, but several of its larger projects overlap with those of the CAE. The figures given are for 5 projects approved since APROFA's restructuring. Table 1. shows the current credit demand for agroenterprise projects to be about $17.7 million dollars. While the CNPI project databank indicates that there no shortage of equity to meet the basic 25 percent required by banks, the CAE portfolio shows a need for nearly $600,000 in equity to qualify projects for bank financing (25 of 42 projects). This amount is relatively small in relationship to the almost $8.5 million in equity that the project owners have declared as available for the CAE projects.

For comparative purposes, the total amount of medium and long-term loans outstanding in Mali at the end of December 2000 was 46 billion FCFA (about $63.5 million), according to BCEAO figures. About 17 billion FCFA ($23.5 million) was outstanding in medium and long-term loans to agriculture, forestry, fisheries, and food and beverage firms. In other words, banks would have to increase their medium to long-term lending to agro-enterprises by 75% to meet the current borrowing demand from the formally structured portion of the sector. However, Malian banks have decreased their medium and long-term loan exposure overall from about 28 percent in December 1998 to about 23 percent in 2000. Malian banks have decreased both their long-term (-22%) and their short-term (-16%) exposure to agriculture, forestry, fisheries, and the food and beverage industry over the 1998-2000 period. In other words, the banking sector believes that investing in the agricultural sector in Mali is increasingly risky.

This is a large part of the reason why we believe that a traditional investment fund would not work in Mali at this time. The banks believe that they run significant risks of non-payment, even with equity inputs of 30% or more. They also do not have much confidence that guarantees are recoverable given the current difficulties in predicting the outcome of default cases in the Malian courts. Foreign investors who provide hard currency denominated capital will want to leverage this capital with FCFA denominated debt, since it is likely that the FCFA will be devalued at some point in the next five to ten years. Without enhanced credit mechanisms (i.e. guarantees), it seems unlikely that the Malian, or even the regional, banking system will see fit to release medium and long-term credit in the amounts needed to accelerate agricultural growth.

Table 1. Bankable Projects in the Agricultural Sector (Small, Medium, and Large in Thousands of FCFA except where $USD are indicated)

Source	Total Cost	Medium- and Long-Term Financing Need	Collateral Amount[1]	Own Capital Shortfall[2]
CNPI[3]	6,211,184	4,385,044	4,385,044	0
CAE	14,564,485	8,437,156	8,437,156	433,623
APROFA[4]	16,584	5,804	5,804	0
Subtotal	20,792,253	12,828,004	12,828,004	433,623
$US Equivalent @ 725FCFA/ USD	$28,678,969	$17,693,798	$17,693,798	$598,100
SFD[5] intermediated irrigation of 35,000 hectares	$54,400,000	$40,800,000	$40,800,000	Unknown[6]
Grand Total	$83,078,969	$58,493,798	$58,493,798	N/A

1. Malian banks generally require 100 percent collateral coverage of the loan value, preferably marketable properties in urban areas or cash or cash-equivalent financial instrument. Guarantees would reduce the collateral amount required.
2. Calculated as the difference between pledged own equity and the 25 percent own equity threshold used by banks. Note that own capital shortfall is probably higher than indicated because banks may discount some of the pledged collateral.
3. Excludes the Markala Sugar Project ($250 million) which will require a large public investment in primary canal construction to fully execute.
4. APROFA estimates include only projects approved since 2001, because only data on projects approved since 2001 was supplied. The filters that it applies to projects excludes applications that have less than 35% own equity.
5. Based on estimates of tertiary irrigation system and farm parcel development of $1555 per hectare. Strictly speaking, these projects are not bankable because farmers do not have alienable titles to their land to meet the collateral requirements.
6. Using a 25% own capital requirement to meet minimum lending criteria means that farmers would have to put forward about $13.6 million Own capital at the smallholder level was not estimateed. One crude and probably inaccurate indicator would be long-term deposits made by the SFD in banks. These deposits totaled 1.033 billion FCFA (or $1.425 million) in 1999. Counting of "sweat equity" (farm family labor used to build tertiary irrigation works) would reduce the own capital requirement, but at the level of 4 ha plots, it is difficult to reduce payments for non-family labor below 50% of total development costs.

Micro and Small Projects

The second set of investment projects is micro- and small projects. We consider micro-projects to be those under FCFA 5 million (about $6,800) in loan requirements and small projects to be between FCFA 5 million to 15 million (about $20,700). Many of the bankable small projects are captured in the information provided by the CAE and APROFA. There is no centralized databank on the sector distribution of micro-projects, however, credit unions and micro-finance institutions (together called the decentralized financial system or SFD- Système Financier Décentralisé) are the primary lenders to this category of investor. They indicate that most of their medium-term loans are for agricultural equipment, small flour and feed mills, small processing equipment, and some storage equipment. The SFD's makes

almost no long-term loans, because they do not have long-term deposits to provide a long-term lending base, and because bank refinancing is short-term. Also, many SFD members do not have the collateral (land titles, certificates of deposit, or a bankable co-signer) for their loans.

Only five of the 33 regulated microfinance institutions make medium-term loans. The total amounts of medium-term loans made in 1999 was FCFA 1.339 billion (about $1,846,500.) Medium term lending by SFD's declined from 15 percent of outstanding loans at the end of 1998 to 10 percent of outstanding loans at the end of 1999, mirroring the decline in medium-term loans made by banks.

Some of the five microfinance institutions that make medium-term loans receive lines of credit and/or guarantees from donors to undertake directed medium-term credit. USAID provides a cash guarantee to the F/CRMD Niono that provides loans for the private development of tertiary irrigation in the Office du Niger. PROPARCO provides a line of credit to support the development of private veterinary services through medium-term financing of equipment, medicines, and vaccines. USAID plans included 35,000 hectares of tertiary system development with about 4 ha plots per farm family. The costs of tertiary development are about $1,555 per hectare or a total cost of about $54.4 million. Farmers would be expected to provide the 25% own capital contribution or $13.6 million. The net financing need would be $40.8 million. While the benefits would be great for about 8,250 farm families, microfinance institutions are unlikely to be able to intermediate this level of medium-term credit in the next quarter century. [iv]

Conclusion and Recommendation

The conclusion is that there are not enough small, medium, and large agricultural projects of investment quality to support an investment fund. Assuming engaged professional management of the fund investing in five percent of the current pool of 53 bankable projects, only 2 or 3 projects would qualify. The average total cost of the projects is about $390,000. Even assuming a very high 40 percent investment in each project, or $156,000 in a mix of debt and equity, the maximum level of projected investment would be about $468,000 or less than half the minimum stake that one would expect a professional manager to personally invest in a venture fund in Mali. It would take a population of projects about 10 times the current number to attract professional fund management. Professional fund management is emphasized because of the poor record of donor-sponsored equity fund management, even when these are structured as enterprise funds addressing an entire developing economy.[v]

The recommendation is to support the improvement of existing and new enterprises while working to improve the business climate so that more enterprises can successfully enter the formal sector. It is work that Mali in partnership with USAID, other donors, and NGO's has already started, but will require sustained effort over the next five to ten years. Operationally, this approach would include the following:

- Work through existing business associations such as APROFA, APEP, FEBEVIM, and SEPA to improve the quality of their members' businesses:

- Work with CAE and other similar organizations to improve the quality of loan applications to gain better access to medium-term loans;

- Use of the CAE and others to identify technical and commercial partners and develop competitiveness;

- Assistance to business associations to lobby for changes to reduce the high transactional costs of doing formal sector business in Mali;

- Provision of an incentive program for the government to implement changes, perhaps through non-project assistance (NPA) that targets a well-researched set of policy and regulatory constraints.

IV. FINANCIAL ENVIRONMENT

For discussion purposes, the financial environment has been divided into two parts:

1) financial markets that include banks, decentralized financial institutions, leasing companies, insurance companies, and guarantee funds
2) capital markets that include stock markets, securities dealers, investment firms, and other linked support firms.

Both the financial and the capital markets are regulated and supervised by the BCEAO and ministries of finance within the overall context of the laws of the UEMOA.

Financial Markets

Commercial Banks

Lenders can be divided into two principal categories: banks and decentralized financial systems (SFDs). There are eight licensed banks. Six are commercial banks. BNDA is an agricultural development bank, and BHM is a housing bank. Of the banks, four are partly or wholly owned by the government. All of them, except BNDA and BHM, are scheduled for privatization. Two of the commercial banks are affiliated with regional banks and two with international banks. It is the government's objective to attract more international banks when they privatize local banks.

At the present time, the bulk of agricultural financing is available only through the government owned Banque Nationale du Développement de l'Agriculture (BNDA) and the commercial banks. The vast majority of agricultural lending is directed towards two state-owned entities, Compagnie Malienne de Développement des Textiles (CMDT- cotton) and the Office du Niger (ON-rice). Some loans are made to larger, privately owned Malian companies that process food and beverages. BNDA, of course, is the largest lender to the agriculture sector. Their financial structure allows them to lend larger amounts for the medium and long term, up to ten years.

In general terms, the banks are very conservative lenders. They operate only in familiar markets with known clients, usually requiring guarantees or collateral, which cover at least 100% of the loan value. Their credit officers are often not well trained in medium- and long-term credit analysis, structuring of deals, and agricultural lending. Despite their conservatism, banks have unacceptably high levels of loan loss provisions and bad debts.

Malian banks are not very dynamic or creative. They do not look for new market opportunities or seek to develop new products. They operate very small branch networks, resulting in the rural areas being underserved. Nevertheless, banks are very liquid. The problem is, however, that over 80% of deposits are short term. Hence, banks claim that due to prudential ratios at the BCEAO they are unable to lend very much long-term. This is exacerbated by the fact that most banks are undercapitalized.

Decentralized Financial Systems (SFDs)

Over the past ten years, a dynamic system of credit and savings cooperatives and credit and savings mutuals have proliferated in the rural areas. For the most part, these are small entities or associations of small units that lend to micro enterprises. Much of the credit operations are funded with local deposits. The quality of these institutions varies widely.

More recently, some of these cooperatives and mutuals have come together into networks, of which the best known are Kafo Jiginew, Nyesigiso, and Kondo Jigima. These networks, or apex organizations, provide centralized treasury operations to their network members. In that role, they are well placed to serve as conduits for credit to micro enterprises. As these networks grow and build their institutional capacity, they will also become high potential channels for lending to small companies that operate in the informal sector.

One of the best ways to improve access to finance for micro enterprises and small businesses is to establish relationships with the best of the SFDs. Before significant amounts of funds can be channeled through these networks for agriculture and expansion to underserved rural areas, however, technical assistance will be required. This would include training credit officers, reinforcing operating capacities including internal controls and information and communications systems. In addition, some kind of guarantee fund would have to be established to help mitigate the higher risks of agricultural lending and for those networks that have limited financial resources, some kind of line of credit may be required.

Leasing Companies

There are only two leasing companies, both of which opened within the last five years. One of them, SOMAFI, is associated with an international partner GIEFCA, that has operated leasing companies in Africa since 1982. Equip – Bail is minority owned by Bank of Africa. Both companies offer mostly equipment leases for medium and large companies. Terms range from two to four year leases with interest ranging from 9 – 27%, the majority being in the 16 – 21% range. The minimum lease is about FCFA 3 million ($4,140) and the largest is about FCFA 500 million ($690,000). Most leases are in the FCFA 20 to 40 million ($27,600 to $55,200) range. Lessees must provide 20% of the cost of equipment that is leased, pay document and processing fees of about FCFA 30,000 ($41), and agree to have 2% of the lease retained for insurance and maintenance purposes. One leasing company said that the leasing demand was very strong and that they were growing very rapidly. They were more constrained by refinancing than by client demand.

Insurance Companies

Six insurance companies dominate the market. Five are general insurance companies and one is solely a life insurance company (SONAVIE). According to law, insurance companies are obliged to invest a portion of their reserves in long term assets in Mali; hence, they are the most likely buyers of long-term bonds (5-15 years) to help to create medium and long term financing in the financial and capital market in Mali.

Guarantee Funds

Over the years, guarantee funds have been created by a wide range of donors, including USAID, AFD, EU, BOAD, and ECOWAS. For the most part, guarantee funds have been available for large borrowers and deals. Not much has existed for the micro, small, and medium-sized borrowers. Furthermore, several guarantee funds have been structured to complement a specific development project rather than to

promote the development of that part of the financial markets so that lenders will eventually lend to a sector at their own risk.

USAID's recently created guarantee fund is a step in the right direction in that it is structured to include small and medium-sized businesses, exclusively in the agricultural sector. As presently structured, it is not available to financial intermediaries, i.e. SFDs.

There is only one functioning guarantee fund domiciled in Mali. Fonds de Garantie Hypothécaire du Mali (FGHM) is a registered financial institution, created with the assistance of Canadian aid. Its mission is to promote home ownership and other real estate financing. For now, they only guarantee real estate transactions but are looking to diversify to other sectors than housing real estate, which could include agribusiness. It is seeking to diversify its activities from housing and is open to proposals on collaboration with a financing structure directed towards agricultural lending.

There are three regional guarantee funds, which are underwritten by multi-lateral organizations.

- Fonds Africain de Garantie et de Coopération Economique (FAGACE) based in Cotonou, Benin, sponsored by OCAM
- Fonds de Solidarité Africaine (FSA) based in Niamey, Niger, sponsored by the African Development Bank
- Fonds de Garantie des Investissements Privés en Afrique de l'Ouest (GARI), based in Lomé, Togo. It is a private sector-oriented investment fund that includes a guarantee fund and is domiciled in the West African Development Bank (BOAD), but with primary ownership by PROPARCO and a group of public and commercial banks.

According to each of their operating mandates, they can make long term loans and one, FAGACE, can take equity positions. GARI targets the private sector. Notwithstanding their stated objectives and policies, these funds are under-utilized due to the onerous bureaucracy, collateral requirements, government recommendations, high transaction costs and fee structures. As a result, they tend to be used for large capital projects valued at over FCFA one billion. In addition to these funds, donors such as PROPARCO provide targeted guarantees, not available to the general public. Even a guarantee fund like Oikocredit which focuses on smaller deals is administratively cumbersome in terms of documentation and time.

Given the existence of these diverse funds and their acceptance in the market place (albeit under-utilized), an opportunity exists to work with the sponsors of these funds to expand them to diversify their scope. This would include diversification into agribusiness, inclusion of SFDs as guarantee beneficiaries for downlending to small and micro enterprises, and lowering limits to improve access for SMEs. In addition, to guarantee funds being used only to cover loans; they can be used as ways of covering risks for diverse kinds of lenders (other than banks), investors, and risks other than only repayment risk, i.e. used as "credit enhancement mechanisms."

Capital Markets

Société de Gestion et d'Intermédiation du Mali (SGI) is the sole authorized stock broker in Mali. Presently, no Malian companies are quoted on the regional stock exchange, so SGI is not active in that domain but broker other financial transactions. SGI regularly places deposits for Malian banks in the regional money markets and has participated in some private placements of bonds for large commercial companies. They are presently working on two deals, one for Electricité du Mali and the other for BOAD to place five to ten year bonds in the local and regional market. SGI also provides advisory services to companies and investors.

An opportunity exists to use the SGI as a channel of distribution for medium and long term bonds in the form of private placements. Not only would the proceeds of these bonds provide medium and long term capital, these issuances would help to develop the overall financial markets. Most likely, any bonds issued would need to have a credit enhancement element, such as a guarantee. A potential issuer of agricultural directed bonds could be the BNDA.

Some of the characteristics of a sample bond issuance would be:

- Issuer: BNDA or other commercial bank or financial institution
- Buyers: Insurance companies, banks, wealthy individuals
- Amount per Issuance: FCFA 2.5 billion minimum, lots of 50 – 100 million
- Interest Rates: 7 - 9%
- Tenor: 5 – 10 years
- Sweetener: Guarantor of high quality, e.g. USAID/DCA

To date the regional stock market based in Abidjan is truly nascent in its development so does not provide much indication as to how Mali's stock market will develop. The same applies to the investment fund in the region, Cauris Investissement, S.A., sponsored by BOAD. It has capital of five billion FCFA. The only investment in Mali is the Salaam Hotel.

V. LEGAL AND REGULATORY ENVIRONMENT

Banque Centrale des Etats de l'Afrique Occidentale (BCEAO)

The BCEAO is the governing body for both the financial and capital markets. In the last decade enormous strides have been made in defining the role of the BCEAO and implementing it. Given the stage of its development, however, the tendency of the BCEAO is for a strict interpretation of all laws and regulations, making innovation and change difficult and time consuming.

In the financial markets the BCEAO grants all licenses for banks and financial institutions and regulate and supervise the operations and financial condition of these institutions. Regulation and supervision of SFDs has been delegated to the Ministry of Finance.

For capital markets, the BCEAO must also approve any financial instrument such as an investment fund and grant a license to the legal entity where the fund is domiciled and distributed. Presently, there exists no special legal status for investment funds.

The legal and regulatory environment impact on the creation of an investment fund and the mobilization of medium and long term funds from banks in two principal ways. First, an investment fund is considered to be "a financial institution". To create an investment fund of any kind requires that a banking license be obtained. The only difference between an application for a full scale bank and an investment fund is the minimum capital requirement, which is FCFA 300 million for an investment fund rather than FCFA one billion for a bank. Reporting requirements are the same, except for a few prudential ratios related to savings. Currently, the UEMOA is drafting new legislation that will create a special category for investment funds. The draft may be ready in July 2002, but ratification of a law and its application in member countries is not expected to take place before two to three years.

The second factor is the prudential regulation that banks must respect regarding long term resources available for long term uses. Since nearly all deposits in Malian banks are short term, they have very few funds, except that coming from their capital, to use for long term lending. Furthermore, long term guarantees of any kind are not considered as an offset when the prudential ratio is calculated. Therefore, banks are severely constrained in the amount of long term loans they can make.

Commercial Law

Even after the recent revisions in the commercial code and associated laws, application of the new laws has been sporadic and inconsistent. A great deal of work remains to be done in training judges and others involved in the process. Banks still maintain that they have little protection when it comes to exercising their rights when trying to invoke their claims on goods and properties given as collateral and guarantees. Over the past three years, some banks indicate that there has been a gradual improvement in the predictability of court decisions on foreclosures. They attribute this change to the application of the harmonized regional commercial code that is administered by OHADA. Obviously, this discourages banks from lending, or alternatively encourages them to take an inordinate amount of security in the hopes of having some claim that can be realized.

Fiscal Regimes and Practices

The structure of direct and indirect taxes and their irregular application are barriers to business for both enterprises and lenders. One example is the valuation process to establish the cost basis for imported

goods. The same article from the same origin purchased at the same price may be valued differently according to the rules that the customs inspector chooses to apply.

Another example is the ADIT, the tax applied to the imported goods that is intended to broaden the tax base by capturing taxes on goods imported by informal, unregistered businesses that operate without a tax identity number. The ADIT for registered businesses with tax ID's is five percent. For unregistered businesses it is fifteen percent. However, our interviews suggest that the fifteen percent levy on imports by unregistered businesses is not applied. Failure to implement the existing law maintains already strong incentives for businesses to stay out of the formal sector. Tax authority administration of tax codes is also a disincentive to formalization. The Value Added Tax (VAT) is collected on a range of goods and services that are used by processors. Where these goods or services are employed to produce a product for sale, the VAT is recoverable by the processor on a quarterly basis. Malian authorities are extremely slow in reimbursing recoverable VAT, as confirmed by companies and by audit firms. Some companies have VAT accounts with the government that are far older than 18 months.

Malian tax and customs authorities also are slow in developing the implementing rules and procedures to apply to international agreements. For example, several millers mentioned the delays in the development of anti-dumping duties on milled products that are permitted under the WTO agreements, specifically the importation of flours from the EU. Industry groups have researched the regulations in neighboring countries in West Africa, but have not been able to get the government to put similar regulations in place in Mali.

Finally, another category of taxation, *taxes sauvages* , are imposed at police barriers, border crossing, and in administrative offices and are a well-known, extra and variable cost of doing business in Mali.

VI. FINANCING FACILITATION CENTER

Based on the conclusions that there are numerous obstacles that need to be overcome before access to financing for agriculture can be improved, including the creation of an investment fund; it is recommended that an intermediate initiative be undertaken. It is believed that one of the most effective and efficient approaches to finding solutions would be to create a business unit, which is provisionally being called a "Financing Facilitation Center", whose sole focus would be facilitating access to financing, primarily for agribusiness.

Functions of a Financing Facilitation Center (FFC)

The FFC would engage in a host of activities, all of which would promote and foster the development of financial and capital markets so that access to financing for agriculture would be improved. Simply, the FFC would be a clearing house of information, a deal maker, a facilitator and builder of linkages. Having a singular focus, it would be well positioned to be a champion and defender of ideas, a promoter and sales agent interacting with all stakeholders, an effective monitor of institutions, and a tenacious implementer to follow things through from beginning to end.

Among the attributes and activities of a FFC would be:

- Serve as an incubator for new ideas and a laboratory for testing them.
- Develop and promote new financing structures and financial instruments.
- Work with the legal and regulatory authorities to implement new laws and change others that are obstacles.
- Advise governmental bodies on effective application of the commercial code.
- Resolve problems that are hindering the use of existing financing mechanisms such as guarantee funds.
- Collaborate with USAID's DCA program and those from other donors to design and implement new credit enhancement mechanisms.
- Advise companies of all sizes and all kinds of financial institutions on investment and financing strategies.
- Match investors and investments.
- Encourage the development of new classes of investors and of broadening the investment focus of traditional investors.
- Assist financial institutions and businesses to structure deals.
- Mobilize financial resources from all kinds of sources including private investors, insurance companies, donors, stock market, etc..

Operating Guidelines

The FFC should exist for a finite time only. There should be no legacy project or "survivor institution". Whenever possible, the FFC would work through existing entities. The FFC should not be an "implementer". Its role is that of a financial and investment advisor. Priorities should be agribusiness and rural, medium and long term financing, and small and medium sized enterprises and industries. In some cases, clients may be larger companies that buy from or supply goods and services to farmers, herders, fisherfolk and the downstream marketers, processors, and transporters of their products.

During the first three years, the activities would be focused more on one-off deals and smaller deals, all of which could serve as tests and trials of what actually works in the market. Wherever possible, existing instruments and structures like USAID's DCA agricultural guarantee with BICIM and Bank of Africa

would be used or enhanced. Nearly all deals would focus on mobilizing resources within Mali itself, where investors and financiers are more apt to understand and accept the risks.

Over time as obstacles to investing and financing are removed or overcome and the domestic financial and capital markets broaden and deepen, more international standards could be applied. The number of investments, the classes of investors, and the choice of financial instruments could be scaled-up, and regional markets could be tapped.

To be in a position to respond to some of the obstacles and shortcomings mentioned above, it is recommended that a pool of funds be made available to the Financial Facilitation Center, perhaps through a grant fund, to do three things:

1. to pay for technical assistance that may be needed to train bankers and other financial intermediaries; to fund the design and implementation of new financial instruments; to educate the public on investing; and other diverse activities related to financing;
2. to encourage the government and its agencies to address some of the many issues hindering the development of a healthy and dynamics business environment, an incentive fund, the nature of which was mentioned above, may be worthwhile; and
3. to assist businesses to become more attractive to investors or to overcome a financial or technical obstacle that is preventing them from advancing. A cost- sharing fund could be established.

In terms of resources, it would suffice to open a small office in a business complex in close relation to other financial service providers, such as the Ali Baba Complex. The professional staff could be limited to two: an international investment banker with some commercial banking experience with a track record of being a deal maker, and a local investment/commercial banker of good reputation and contacts. They would be assisted by local advisors, including a lawyer and an audit and fiscal firm.

Development Credit Authority (DCA)

A key component in any financial engineering would be the use of the Development Credit Authority. DCA would be the principal vehicle by which the Mission leverages its own funds. Equally important, DCA would be used for any credit enhancement such as guaranteeing a bond issuance, providing loan portfolio guarantees or individual guarantees for larger transactions. While their requirements are outlined in official documents, some of the basic rules for reference are: the maximum risk coverage does not exceed 50%, any collateral is shared pari passu, and maximum tenor is 20 years. Among the issues to be negotiated with DCA for Mali are: 1) approval to work with a state-owned bank such as BNDA, and 2) acceptance of SFDs as beneficiaries.

Examples of "deals"

A short list of "deals" that the Financial Facilitation Center could work on during the first three years that adhere to the ideas discussed above are:

- Facilitate Centre Agro Entreprise, APROFA and bank deals by helping banks to structure debt and equity financing, and by finding ways to address their reasons for not financing companies.
  - Bring groups of large Malian investors into deals with large Malian companies such as Markala Sugar Company.
  - Attract some expatriate Malians to invest in small/medium sized deals.

- Arrange a private placement of 5 to 15 year bonds issued by the BNDA and guaranteed by the Development Credit Authority. The BNDA would downstream the proceeds to banks as long-term resources and banks would use the funds for long-term loans to projects. BNDA could also use some of the proceeds to make credit lines or guarantee lines available to the decentralized finance systems (SFDs) for down-streaming to micro and small enterprises.
- Issue a counter guarantee to the Malian property mortgage guaranty fund (FGHM) who in turn guarantees long-term loans made to agriculture and agro-enterprises by the BNDA.
- Find ways to expand USAID's existing loan guarantee fund to include SFDs as qualified beneficiaries.
- Provide technical assistance to banks for agricultural lending and to SFDs for institution building.
- Participate in strengthening associations that educate and lobby for regulations better adapted to sector needs and for timely, consistent, and transparent application of laws.
- Work with local financial services companies to coordinate with the BCEAO as laws and regulations are formulated regarding the establishment of investment funds and mutual funds.

The FFC will require design to identify the roles that it can play in improving the availability of financing for agribusiness. A long-term commitment to financial facilitation is needed if SO7 objectives are to be achieved.

Annex 1. List of people contacted

Achcar, Cyril. Directeur d'Exploitation Eaux Minérales du Mali (E.M.M.) et Directeur Commercial de la Groupe Achcar Mali Industrie (AMI).

Alphonse, René. Président, Féderation des Exploitants du Secteur Bétail et Viande du Mali (FEBEVIM), Bamako

Badamie, Bruno. Directeur, Programme de Soutien à l'Exportation des Produits Artisanaux au Mali (SEPA/Mali), Action for Enterprise.

Barry, Sékou. Service du Crédit – Grandes Entreprises et Agriculture, Banque Internationale pour le Mali (BIM).

Bédu, Laurent et Olivier Cadenaux, Service de Cooperation et d'Action Culturelle, Développement rural et l'environnement, Ambassade de France

Belleza, Elaine, Small Entreprise Development/Artisanal Specialist Consultant

Bocoum, Alhadji Diouggal, Directeur Général, Fonds de Garantie Hypothècaire du Mali (FGHM S.A.)

Boukenem, Moctar, Spécialiste Filière Fruits et Légumes/Marketing, Centre Agro-Entreprise

Calon, Monique, Première Secrétaire Développement Rural/Genre, Ambassade de Royaume des Pays-Bas

Coffi, Yves, Directeur Institutions Financières, ECOBANK Mali, et Binto Touré Ndoye, Chef de Département

Cook, Dick, DVM, Ph.D. Spécialiste Elevage, Centre Agro-Entreprise (CAE)

Coulibaly, Cheick Hamala, Responsable Financement des Entreprises, Agence pour la Promotion des Filières Agricoles (APROFA)

D'Almeida, Amoh Edoh. Représentant au Mali de la Banque Ouest Africaine de Développement (BOAD)

Diaby, Souhibou. Directeur du Service du Crédit, Banque Centrale des Etats de l'Afrique de l'Ouest, Bamako et Mme. Yacine Diallo Haidara, Service du Crédit

Diacoumé, M. Directeur du Crédit, Banque Internationale pour le Commerce et l'Industrie au Mali (BICIM) et Koniata Koné

Diallo, Arouna. Directeur Général, Agence pour la Promotion des Filières Agricoles (APROFA)

Diallo, Bonaface, Spécialiste Formation Communication, Centre Agro-Entreprise

Diallo, Sidiki, Responsable Clientèle, Société de Gestion et d'Intermédiation du Mali, SA (SGI-Mali) et Makan Makalou, Responsable Back Office

Diarra, Daouda, Responsable Unité d'Information, Centre Agro-Entreprise (CAE)

Diarra, Modibo Mory, Directeur Général, Caisse Associative d'Epargne et de Crédit des Entrepreneurs et Commerçants, Réseau des Caisses d'Epargne et de Crédit (C.A.E.C.E.-Jigiseme)

Doumbia dit Bah, Daba. Commerçant. Faso Dambe, Tissus Traditionnels Bogolan & Batik.

Falgon, Claude. President, Horus, S.A. Paris et Michel Baudoin

Hochschwender, James. Associate, Weidemann Associates, Inc.

Kane, Cheick Fanta Mady, Directeur des Engagements et Risques, Bank of Africa

Keita, Mamadou Leo. Directeur, Indigo, Art et Artisanat Africains.

Konate, Mamadou I. Avocat Associé, Jurifis Consult

Larfeuil, Bernard. Directeur. Agence Francaise de Développement, Agence de Bamako.

Magassouba, Mahamoud, Spécialiste Financement, Centre Agro-Entreprise

Makadji, Soumana, Expert Comptable/Gerant Associé, GMI-Audit

Mariko, Gaoussou. Société Malienne de Financement (SOMAFI/GIEFCA)

Meiite, Fatou, Presidente, Hotel Djinné et Santoro

Niang, Harouna. President Directeur Général. PMU-Mali.

Olsen, Rene Kofod. Directeur Général, Maersk Mali, SA

Ouedraogo, Djeneba Tall, Ingénieur Agro-Economiste Chargée de Projets, Centre National de Promotion des Investissements (C.N.P.I)

Sangaré, Abdoul Karim, Coordonnateur, Cellule de Gestion du Projet de Développement du Secteur Financier (PDSF)

Sangho, Yeyande Kasse. Chargée des Opérations, Banque Mondiale Mali.

Schartup, Harvey, Directeur, Centre Agro-Entreprise (CAE), Chemonics Chef d'équipe

Siebecke, Roland. Conseiller Technique pour le Projet "Promotion des Institutions Financières Decentralisées" du Ministère des Finances. GTZ.

Sylla, Amadou, Chargé Transformation Agro-Alimentaire, Centre Agro-Entreprise

Thiam, Ousmane. Directeur, Banque de Développement du Mali (B.D.M.) et membre de Réseau Ouest Africaine des Entreprises

Toure, Aissata, Présidente, Association pour la Promotion des Entreprises Privées.

Traore, Cheick Fanta Mady, Contrôleur Général, Crédit Initiative

Traore, Mamadou Tidiane, Directeur Adjoint du Département du Réseau et de l'Exploitation, Banque Nationale de Développement Agricole (BNDA) et Soungado Sanogho, Département du Crédit

Yalcouyé, Garibou. Associé-Gerant, Phenix Management sarl.

USAID Personnel:

White, Pamela. Directrice de la Mission.
McCarthy, Dennis. Directeur SEG
Camara, Amadou. Equipe SEG
Toure, Gaoussou. Equipe SEG
Binta Ballo, Helene. Equipe SEG
Drame, Cheick. Equipe SEG
Santara, Yacouba. Equipe SEG
Dembele, Augustin. Equipe SEG
Harman, Jean. WARP

[i] Among other: UNCTAD en collaboration avec PriceWaterhouseCoopers. Septembre 2000. *Guide d'Investissement au Mali*. UNCTAD/ITE/IIT/Misc 24. Edition Internet. Nations Unies, New York et Genève; Tyner, W. et al. 2002.December 2001. *Mali Agricultural Sector Assessment.* Agricultural Policy Development Program. Abt Associates, Bethesda, MD.; Konare, Kadidia. 2001. "Challenges to Agricultural Financing in Mali." A Plan B Paper Submitted to Michigan State University in partial fulfillment of the requirements for the degree of Master of Science, Department of Agricultural Economics. East Lansing, Michigan.;Diallo, Aly. Octobre 1999. *Contraintes à l'Investissement privé à é'Office du Niger*. Table Ronde MICA-USAID/Mali de restitution des résultats de recherche, CRES/BADALA Bamako, 25-27 Octobre 1999. African Trade and Investment Program.

[ii] Many others are involved in rural development projects with a mix of public and private financing. We were unable to meet with PROPARCO, the French-financed organization that takes direct equity positions in public companies and companies listed for privatization and that, along with several other donors, provides directed lines of credit.

[iii] CNPI is attempting to become a one-step shop for investment approval and to institute the centralization and simplification of the arduous and arcane procedures for company registration and business licensing.

[iv] Mali seems to be moving in the direction of formalizing its system of land use rights, at least on irrigated land. These rights may become collateral to guaranty loans. Bankers make the point that, even if trading in land use rights were permitted and formalized, it would take several years of trading experience, i.e., more than five, before they would be able to value and assign risk weightings weight these rights for collateral purposes. Their point should not discourage efforts to formalize use rights, it just underscores the need for consistent and stable policy over the medium- and long-term if the objective is to improve access to financing for rural populations.

[v] Fox, James W. August 1996. *The Venture Capital Mirage: Assessing USAID Experience with Equity Investment*. USAID Program and Operating Assessment Report No. 17. Center for Development Information and Evaluation, Washington.

Annex 2. **CNPI Approved Investment Projects (FCFA)** Exchange rate $1=725 CFA

Sectorr	Name	Investment total	Own capital	Own capital (%)	Total loan	LT loan	MT loan	ST loan	Subsidy
Agro-A	GAM (boulangerie, biscuiterie, produits laitiers	2,000,000,000	700,000,000	0.35	1,300,000,000		1,300,000,000		
Agro-A	Markala Sugar	18,125,000,000	3,625,000,000	0.20	14,500,000,000				
Agro-A	Gomme Arabique	1,550,000,000	330,000,000	0.21	1,200,000,000				
Agro-A	SOMACO s.a.(double concentré de tomate, de jus de fruits et de Sirop)	533,300,000	133,000,000	0.25	400,000,000				
Agro-A	Elevage moderne d'Autruches	713,384,000	260,000,000	0.36	453,384,000	453,384,000			
Agro-A	Unité de Production de lait stérilisé et de de beurre à Mopti	1,105,000,000	196,340,000	0.18	908,660,000		808,660,000	100,000,000	
Agro-A	Unite de Condition-nement du mono-glutame de sodium	309,500,000	186,500,000	0.60	123,000,000				
	Totaux partiels en FCFA	24,336,184,000	5,430,840,000	0.22	18,885,044,000				
	Totaux partiels en $USD	$33,567,150	$7,490,814		$26,048,337				
Textiles	Confection	140,000,000	23,650,000	0.17	58,188,000				58,187,000
Textiles	Unite de retordage et de reconditionnement de fil à coudre et de laine à tricoter	448,520,000	179,408,000	0.40	269,112,000				
	Totaux partiels en FCFA	588,520,000	203,058,000	0.35	327,300,000				
	Totaux partiels en $USD	$811,752	$280,080		$451,448				
Matériaux de construction	Usine de Laminage à Froid	375,286,000	93,821,000	0.25	281,465,000				
Matériaux de construction	Production de ciment et de chaux	1,204,000,000	406,000,000	0.34	797,700,000				
Matériaux de construction	Production de matér-iaux de construction	863,350,000	172,670,000	0.20	690,658,000				

Matériaux de construction	Briqueterie	1,058,114,500	414,705,700	0.39	643,408,800			
Matériaux de construction	Production de chaux hydratée	2,662,900,000	0	0.00				
Matériaux de construction	Unité de Production de Fer à béton, de Profiles et de Tubes Soudés à Bamako	2,294,500,000	700,000,000	0.31	1,594,500,000			
	Totaux partiels en FCFA	6,163,650,500	1,087,196,700	0.18	2,413,231,800			
	Totaux partiels en $USD	$8,501,587	$1,499,582		$3,328,596			
Emballage	Production d'Emballage en papier carton	944,500,000	345,500,000	0.37	599,000,000		599,000,000	
	Totaux partiels en FCFA	944,500,000	345,500,000	0.37	599,000,000			
	Totaux partiels en $USD	$1,302,759	$476,552		$826,207			
Menuiserie	Menuiserie moderne de bois et de décoration	56,000,000	16,800,000	0.30	31,200,000			8,000,000
	Totaux partiels en FCFA	56,000,000	16,800,000	0.30	31,200,000			
	Totaux partiels en $USD	$77,241	$23,172		$43,034			
Produits chimiques	Fabrique de Mousse Polyurethane	71,043,000	58,850,000	0.83	12,193,000			
Produits chimiques	Unité de ramassage et de transformation des ordures ménagères en engrais	5,887,113,000	1,766,134,000	0.30	4,120,979,000			
Produits chimiques	Modernisation et extension de la SOMAPEC	992,959,999	402,000,000	0.40	590,950,000			
Produits chimiques	Fabrique de Peinture et de Vernis	214,800,000	21,000,000	0.10	116,665,000			
Produits chimiques	Essai d'utilisation des phosphates de Tilemsi	6,322,211,000	1,580,550,000	0.25	4,761,661,000		3,893,500,000	868,161,000
	Totaux partiels en FCFA	13,488,126,999	3,828,534,000	0.28	9,602,448,000			
	Totaux partiels en $USD	$18,604,313	$5,280,737		$13,244,756			

Produits cosmétiques	Unite de Production de produits cosmétiques et de parfums	975,000,000	245,000,000	0.25	730,000,000			
	Totaux partiels en FCFA	975,000,000	245,000,000	0.25	730,000,000			
	Totaux partiels en $USD	$1,344,828	$337,931		$1,006,897			
Services	Complexe culturel et d'accueill a Sogniko "Komoguel"	345,230,000	138,010,000	0.40	207,220,000	197,820,000	9,400,000	
	Totaux partiels en FCFA	345,230,000	138,010,000	0.40	207,220,000			
	Totaux partiels en $USD	$476,179	$190,359		$285,821			
Activité minière	Diamwely Minerals Co.	375,000,000	45,000,000	0.12				Capitaux propres déjà dépensés
Activité minière	Kambaya	450,000,000	0	0.00				
Activité minière	Bougouni	190,000,000	0	0.00				
	Totaux partiels en FCFA	1,015,000,000	45,000,000	0.04	970,000,000			
	Totaux partiels en $USD	$1,400,000	$62,069		$1,337,931			
Autres divers	Pneus de Bicyclette et motocyclette SMFVPCC	604,325,000	120,865,000	0.20				
	Totaux partiels en FCFA	604,325,000	120,865,000	0.20	483,460,000			
	Totaux partiels en $USD	$833,552	$166,710		$666,841			
	TOTAL En FCFA	48,516,536,499	11,460,803,700	0.24	34,248,903,800			
	TOTAL En $USD	$66,919,361	$15,808,005		$47,239,867			