

Data Sheet

USAID Mission:	Mali
Program Title:	Accelerated Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	688-009
Proposed FY 2004 Obligation:	\$14,300,000 DA
Prior Year Unobligated:	\$11,000 DA
Proposed FY 2005 Obligation:	\$11,361,000 DA
Year of Initial Obligation:	FY 2002
Year of Final Obligation:	FY 2012

Summary: USAID will focus on the agricultural sector by targeting commodities for which Mali has a comparative advantage. The program will work to reinforce the Malian private sector and take advantage of Malian government commitment to private enterprise. Targeted interventions in the production, processing and trade of the selected commodities will increase farmers' incomes. USAID will also improve the management of agribusinesses and microfinance institutions, and the stewardship of natural resources. Negotiation of beneficial regional and world trade agreements will be reinforced through USAID's activities. The program supports the objectives of and participates in the President's Initiative to End Hunger in Africa and the Global Climate Change Initiative.

Inputs, Outputs, Activities:

FY 2004 Program:

Sustainable production of selected agricultural products in targeted areas increased (\$8,100,000 DA). This activity aims to increase the production of rice, horticultural crops (e.g., potatoes, shallots) and animal products (meat) in order to increase farmers' incomes and foster economic growth. It will be the main focus of the resources made available through the Initiative to End Hunger in Africa. USAID will fund activities to: expand the land area under irrigation, thereby reducing the production risks associated with rainfall fluctuations; create private animal feed enterprises to produce high quality low-cost animal feed; spur development of a legal framework for biotechnology applications and train researchers in biotechnology techniques; and help communities to better manage their natural resources. Farmers' groups and agribusinesses will receive basic business management training and lobbying skills to enable them to advocate for sound policy reforms. It is expected that the production of rice will increase by as much as 20,000 metric tons per annum through the development and/or improvement of irrigation on more than 5,000 hectares of land. Animal productivity as measured by the weight gain per unit of feed will be doubled. Implementers to be determined.

Trade of selected agriculture products increased (\$3,400,000 DA). USAID will fund activities to: enhance the competitiveness of Malian agricultural commodities; promote international business linkages; attract investment to trade-related infrastructure; improve the policy and institutional environment for trade; and integrate small farmers, including women, into mainstream export activities. Initially, the program will focus on five key products: mangoes, potatoes, shea butter, rice and red meat. USAID will support marketing operations using more competitive shipping routes and better market information systems. Training in management and export operations will be provided to exporters and business associations. Information will be disseminated on regulatory and policy issues such as import/export tax codes and illicit taxes affecting trade. It is expected that these activities will help reduce transaction costs, improve the competitiveness of Malian enterprises and increase the export of the selected products by 10% to 25% in 2004-2005. Principal contractors are: Chemonics International (prime); Associates for International Resources and Development, International Business Initiatives, CARE and The Mitchell Group (subs).

Access to finance increased (\$2,800,000 DA). USAID's activities will focus primarily on: making financial services more available to small- and medium-sized businesses; enhancing the investment promotion

skills of Mali's National Center for Investment Promotion, the Chamber of Commerce and other partners; and expanding the breadth and quality of service of the microfinance sector to foster greater access to credit for residents of rural areas and underserved towns. USAID will pursue a two-pronged approach for making credit available to more Malians regardless of income. With respect to the banking sector, it will form partnerships with key financial institutions to assist in preparing a network of service providers that can ensure adequate outreach to producers and producer associations. In the microfinance area, USAID will work with local banks to develop new, easy-to-access financial products adapted to the needs of the rural and urban poor, especially women. By the end of the program's first year, USAID anticipates an increase of 5% in the number of agribusinesses receiving loans from banks, four new medium- and long-term investment promotion plans will be funded, and the number of income-generating activities in the microfinance sector will increase by at least 5%. Principal contractors are: Chemonics International (prime); Weidemann Associates, Making Cents, Bankworld and Enterprising Solutions (subs).

FY 2005 Program:

Sustainable production of selected agricultural products in targeted areas increased. (\$6,591,000 DA). USAID intends to expand its efforts in those areas showing strong results by relying heavily on funds from the Initiative to End Hunger in Africa. Increased production of rice will require greater access to inputs and production equipment as well as some post-harvest technologies. The expansion of irrigation infrastructure should be an area of major investment in order to increase production capacity following progress in privatization and land tenure policy change. Water and land resources in inland valleys are also targeted to receive emphasis through expanded watershed management activities. USAID plans to build on progress made to mainstream biotechnology research and product availability. Same implementers as FY 2004

Trade of selected agriculture products increased (\$2,650,000 DA). USAID plans to expand market opportunities for targeted commodities, promote free trade practices and enhance the attractiveness and availability of Malian agricultural exports. USAID intends to continue its focus on increasing the ability of the business service industry and the public sector to provide relevant and effective services to exporters. Exports of products selected during the first year are expected to increase an additional 10% in the second year. Same implementers as FY 2004.

Access to finance increased (\$2,120,000 DA). It is USAID's intention to increase the emphasis placed on practical education and advisory services provided to the credit officers of financial institutions. In addition, expanding the use of loan guarantees such as the Development Credit Authority and other credit guarantees or funds may be of special focus in order to encourage a wider range of longer-term financing of agricultural investments. USAID expects that the number of loans to small- and medium-sized agribusinesses could increase by more than 10%, while the number of income-generating activities funded by microfinance institutions may be double that of the previous year. Same implementers as FY 2004.

Performance and Results: USAID, the Government of Mali and the U.S. multinational, Schaffer and Associates, successfully launched a Global Development Alliance partnership to perform sugar cane research trials that is helping to attract multi-million dollar agribusiness investment to Mali, a venture which is expected to result in the eventual creation of more than 5,000 new jobs.

By the end of the 2003-2012 program, Mali will have markedly increased its export of food products, expanded the production of selected agricultural commodities and reduced its vulnerability to climatic variability. Significantly more agribusinesses will be accessing and using trade facilitation services. There will be greater integration of Mali's national market information into regional market information services. More farmers will be using improved natural resource management practices, leading to an increase in the use of environmentally safe technologies for crop production and processing. At least 50% of Malian small farmers will have incomes significantly above the poverty level.

US Financing in Thousands of Dollars

Mali

688-009 Accelerated Economic Growth	DA
Through September 30, 2002	
Obligations	5,222
Expenditures	0
Unliquidated	5,222
Fiscal Year 2003	
Obligations	13,249
Expenditures	320
Through September 30, 2003	
Obligations	18,471
Expenditures	320
Unliquidated	18,151
Prior Year Unobligated Funds	
Obligations	11
Planned Fiscal Year 2004 NOA	
Obligations	14,300
Total Planned Fiscal Year 2004	
Obligations	14,311
Proposed Fiscal Year 2005 NOA	
Obligations	11,361
Future Obligations	97,999
Est. Total Cost	142,142