

PROJECT DESCRIPTION

Kayes Credit Fund for Women Vegetable Growers

Mali

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

The Centre d'Appui a la Microfinance et au Développement Local (CAMIDE) is an association of 57 village level credit unions located near Kayes. CAMIDE provides training and technical assistance, such as feasibility studies, credit management seminars, and monitoring and evaluation workshops to village savings and loan associations seeking to offer financial services to their members. CAMIDE would like to broaden its portfolio of clients to include more women borrowers in Samé and Nyesumaso villages. Women's groups in Samé and Nyesumaso engage in activities, such as horticulture and sales, that would benefit from small loans. However, CAMIDE currently lacks the managerial capacity and capital base to broaden its client base to the women in Samé and Nyesumaso.

III. Funding**A. ADF Contribution**

The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 8 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. CAMIDE Contribution

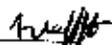
CAMIDE will contribute the time and skills of its staff in the implementation of the Project.

IV. Project Goal

The goal of the Project is to improve the standard of living for women in and around the city of Kayes.

V. Project Purpose

The purpose of the Project is to increase women's access to credit in Kayes region, as evidenced by the following:

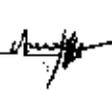
ADF  CAMIDE 

APPENDIX A

- A. The number of women's enterprises receiving loans in Samé increases from a baseline of zero to:
 - 1. 30 enterprises during Project Year 1;
 - 2. 40 enterprises during Project Year 2; and
 - 3. 50 enterprises in each year of Project Years 3-5.
- B. The number of women's enterprises receiving loans in Nysesumaso increases from a baseline of zero to:
 - 1. 30 enterprises during Project Year 1;
 - 2. 40 enterprises during Project Year 2; and
 - 3. 50 enterprises in each year of Project Years 3-5.
- C. The number of vegetable producers receiving loans near Kayes increases from a baseline of zero to:
 - 1. 50 producers during Project Year 1;
 - 2. 80 producers during Project Year 2; and
 - 3. 100 producers in each year of Project Years 3-5.
- D. CAMIDE is a self-sustaining credit institution, as evidenced by an increase in its profits (before taxes and depreciation) from a baseline of zero to:
 - 1. CFA 1,612,500 in Project Year 1;
 - 2. CFA 2,438,500 in Project Year 2; and
 - 3. CFA 3,359,500 in each year of Project Years 3-5.

VI. Outputs

- A. The total credit outlay for small businesses in Samé increases from zero to:
 - 1. CFA 21,000,000 during Project Year 1;
 - 2. CFA 32,000,000 during Project Year 2; and
 - 3. CFA 52,500,000 in each year of Project Years 3-5.
- B. The total credit outlay for small businesses in Nysesumaso increases from zero to:
 - 1. CFA 21,000,000 during Project Year 1;
 - 2. CFA 32,000,000 during Project Year 2; and
 - 3. CFA 52,500,000 in each year of Project Years 3-5.
- C. The total credit outlay for horticulture and milk production near Kayes increases from a baseline of zero to:
 - 1. CFA 5,000,000 during Project Year 1;
 - 2. CFA 14,400,000 during Project Year 2; and
 - 3. CFA 32,000,000 in each year of Project Years 3-5.
- D. The repayment rate for the life of the Project is 95 percent.

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VII. Activities

A. Administrative Activities

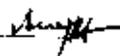
1. CAMIDE will hire a facilitator. The facilitator's responsibilities will include preparing work plans, monitoring activities, assessing and analyzing implementation problems, investigating and applying corrective measures, and helping to organize the training sessions and technical assistance services.
2. CAMIDE will renovate its headquarters and install two solar panels. It will establish an office equipped with furniture and two computers with accounting software.
3. The management team and selected members will receive training in business management and administrative skills. The training will focus on simplified accounting methods, Association management, monitoring success and mitigating risks, and preparing financial, performance, and activity reports.
4. CAMIDE will update the manual of procedures. The manual will document administrative, governance, and accounting policies.

B. Credit Expansion Activities

1. CAMIDE will hire a part-time microfinance expert. The microfinance expert will work closely with CAMIDE's management team to design financial services tailored to women around Kayes. Specifically, she or he will develop strategies and loan packages for women engaged in small enterprises and small-scale vegetable or milk production.
2. CAMIDE will procure a motorcycle for its management team and loan officers. The management team and loan officers will travel to the villages surrounding Kayes to visit potential borrowers, promote CAMIDE's financial services, and monitor and support clients.
3. CAMIDE will establish a credit fund for small businesses. The fund will be available to women Associations or individual women seeking to begin or expand enterprises. Groups may receive up to three loans over the course of a year, with progressively higher amounts, based on repayment rates. A credit committee at the affiliated institution, with the participation of a CAMIDE loan officer, will approve, defer, or deny loan requests. CAMIDE will maintain a file at its renovated office that documents the loan agreement.
4. CAMIDE will establish a credit fund for small-scale vegetable growers and milk producers. The fund will be available for women Associations or individuals seeking to purchase agricultural inputs, such as seeds, or small equipment, such as carts. Groups may receive up to three loans over the course of a year, with progressively higher amounts, based on repayment rates. A credit committee at the affiliated institution, with the participation of a CAMIDE loan officer, will approve, defer, or deny loan requests. CAMIDE will maintain a file at its renovated office that documents the loan agreement.

C. Borrower Support and Follow-Up Activities

1. CAMIDE will provide training seminars in business management and administration for loan borrowers. The seminars will teach the borrowers basic principles of business planning, such as pricing inputs, identifying market opportunities, and mitigating risks.

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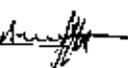
2. CAMIDE will offer training seminars on the principles of financial management. The seminars will teach the importance of loan repayment, the basics of interest rates, how to choose prudent loan amounts, and how to plan for repayment.
3. CAMIDE will hire an auditor to monitor the financial reports of affiliated financial institutions. The auditor will conduct at least five in-depth audits per year. The audit will use receipts and interviews to ensure that the bank accurately reports its capital to risk ratio. The audit will check to see that interest rates are set to cover inflation, administrative costs, and default risk.

VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of CAMIDE are responsible for the management and the proper implementation of the Project. ADF's Partner in Mali will provide training in the area of standard ADF bookkeeping, monitoring, and assessment. ADF's Partner in Mali will also provide technical assistance and management during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Mali will closely monitor the activities of the Association to ensure proper reporting, adherence to the Project implementation plan by the Association, and movement towards the achievement of Project objectives. ADF's Partner in Mali will continuously assess risks and take remedial action as needed. Monitoring by ADF's Partner in Mali will be an important aspect of the on-going coaching and advisory service. ADF's Partner in Mali will review ADF's quarterly reports and will submit comments and observations to the management of the Association as part of the on-going performance assessment.

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