



**REPORT**  
**Narrative and financial**  
**AREED –Mali**

*February 2011*

## **RAPPORT AREED II:**

In Mali, more than 88% of the population in rural area leaves without modern electricity, and more of the global population use the traditional biomass (wood and charcoal) to satisfy their energy needs for cooking and drying.

The Malian government and several bilateral organizations make effort to increase the access to modern energy and the use of efficiency energy for cooking. Each organization has its own strategy and methodology to achieve its objectives. One of the durable strategies was the concept of AREED, to develop the market through private sector without grant.

The program AREED makes several activities to share information about the productive use of energy, the end user financial mechanism, with the Malian stakeholders (AMADER: Agence Malienne de l'Electrification Rurale des Energies Domestiques, ANADEB: Agence Nationale pour le Developpement des Biocarburants), the bilateral organization (World Bank, Danish Embassy) and civil society (Reseau Energy, Reseau Energia, AMPERE). The challenge in Mali, with the rural electrification program, is the productive use of energy how to increase the rural Micro-Small and Medium Enterprise for transformation, and valorization of local product. The Mali-AREED program assists the women cooperative and small enterprise about the use of modern energy to increase their production capacity and to transform more local product.

Several enterprises and individual promoter obtained the assistance from AREED-Mali to develop their business model, and also facilitates the credit access to them and their clients. Several women cooperative were touched by AREED-Mali program, to help them to identify the needs of energy, and to design the type of technology, and make link with the technology provider and the financial institution if they need loan.

The AREED Mali in the perspective wants to assist operators for the market development the market of LED solar lantern, to replace the use of kerosene and dry batteries, and the bad light qualities products in rural area. For that we have one project in the AREED pipeline about the commercialization of solar LED. Also the AREED program, after the difficulties with Ecobank wants to develop the guaranty fund with BMS (Banque Malienne de Solidarité). In the coming months AREED Mali will establish the national energy comity for AREEDII project investment with local partners (Malian authorities, the public sectors, the financial institution, and civil society)

## **AREED II ACTIVITIES IN MALI**

During May 2009 to December 2010, the program AREED II in Mali implemented with Ecobank, the guarantee fund to facilitate the loan access for the productive use of energy, the household clean energy equipment, and Enterprise development service to promote clean energy in rural area.

In the process, several activities were made in rural area with the Micro-Finances Institution named Nyetaa Finances to develop tools, and material for microfinance's loan facility for equipment used. The Institution received several demands for productive use of energy, household equipment by clean energy and efficiency energy technology. The demands were making by the individual entrepreneurs, the women cooperative, some private company, and few household.

In the policy level and dissemination the program make several presentation of the AREED model to the stakeholder in rural area (Municipality) and some financial institution, to inform them about the potentiality of the energy enterprise and the productive use of energy.

In 2010, the program has meet some difficulties with the Ecobank about the management of the guaranteed fund of AREED, because the Bank have not respect the agreement sheet term (the bank take several fees and tax for the account management, but this account is supposed to be a guarantee fund/ lost reserve funds). For this situation the MFC Nyetaa wrote a letter to Ecobank for explanation, but until now the bank doesn't reply.

In this situation the MFC get in contact with others local Bank about the management of the guaranteed fund such as the BMS (Bank Malian of Solidarity) who show great interest to collaborate under the same condition as agreed with Ecobank early. The cooperation is starting with the BMS and MFC Nyetaa now transfer the amount of 40 millions FCFA from Ecobank to the BMS to be used as Guarantee fund based on the notary contract which is on process in order to secure this guaranteed fund, and that obliged the bank to respect the statement.

With the case of the Ecobank, the AREED Mali has make several lesson, and experience about the management of the guarantee fund with local bank, and those us to built efficiency the future guarantee fund.

Now the AREED Mali works to the quick reconstitution of the guaranteed fund/ lost reserve.

### The pipeline of AREED II – Mali

AREED II Mali have receive during 2009, to 2010, lot of demand about the loan facilities for productive use of energy, for household clean energy needs, and others form company to promote the clean energy in rural area. There are:

- Project for individual entrepreneurs for productive use: a demand of 11,3 millions FCFA will be submit to the Nyetaa finances for investment.
- Project for enterprise/ cooperative to promote clean energy to the women cooperative members: an amount of 25 millions FCFA for LED promotion, and the drying solar for women cooperative in the process for fact sheet (*see the annex 1 for more details*)
- Household need for clean energy: in several women cooperative have been demand for solar panel for household system, but several of them

**Table: the pipeline and the impact for job creation**

Operators/	Business Description	Impact/ job creation		Financial needs
		Men	Wn	
Siaka samaké	Metallic carpenter in Garalo, look for AREEDII investment to improve it's activity to buy modern equipment	1	0	New equipment
Yanfolila Women Cooperative	Drying the fruit and vegetable thanks to the LPG dryer	2	13	New equipment with LPG

for product transformation and drying				technology for drying
Seydou Mariko	Metallic carpenter in Garalo, look for AREEDII investment to improve it's activity to buy modern equipment	1	0	New equipment
Mamadou Kané	Cargo for maintenance and repair equipment	2	0	New equipment
Mamadou Warama	Carpenter make agriculture equipment and tools	2	0	New equipment
Ousmane Keita	Carpenter make building equipment: door, windows; hole	1	0	New equipment
Bakary Mariko	Carpenter make building equipment: door, windows; hole	1	0	New equipment
Saran sangaré	Restaurant look for AREED II support to buy freezer to make cold water, and water ice	0	1	New equipment (refrigerator)
Hadja Koné	Restaurant look for AREED II support to buy freezer to make cold water, and water ice	0	0	New equipment (refrigerator)
Massaran Koné	Restaurant look for AREED II support to buy freezer to make cold water, and water ice	0	1	New equipment (refrigerator)
Bintou Kané	Restaurant look for AREED II support to buy freezer to make cold water, and water ice	0	0	New equipment (refrigerator)
Balla sangaré	Modern workshop for welding , and make welding service around the common,	1	0	New equipment
Abou Kané	Grinder cereal unity :millet, maize,	0	1	New equipment
Mamadou sangaré	Grinder cereal unity : millet maize	1	0	New equipment
	Total	19	16	

### **The project impact:**

In term of the impact, the program AREED allow to develop the capacity building of the local Microfinance's by promoted the energy technologies and facilities the access for loan in energy ends users. These pilot activities with Nyetaa Finances permit to build the capacity of the Nyetaa in the field of energy enterprise assistance, and to satisfy the need of the energy equipment loan.

In the level of enterprise financed, AREED –Mali contributed to increase and improve the capacity of the SME in rural area, and also the job, and access to clean water.

### **THE NATIONAL AREED INVESTMENT COMMITTEE:**

In this year the program wants to establish the committee member of the AREED local investment process, to analyze, and approved the project in the pipeline. The national investment committee will play an important role for the institutionalization of the AREED program in Mali. For that the choice of the members will be very important, so the MFC with its experience about the energy sector in Mali, want to select some keys organization and keys person which can be very helpful for the investment committee.

- The goal of this committee: the main goal is to provide the independent opinion about the project submitted, in the environmental aspect, sustainability of the technology, and the financial and economic profitability of the business model.

- The members will be composed by:
  - The representing of MFC Nyetaa
  - The representing of the Micro-Financial Institution
  - The representing of the Municipality
  - The representation of the private sector,
  - The representing of the Malian Agency of Energy and Electrification
  - The representing of the Malian Agency of bio-fuel

These competences will be complete by the specialist if there are specific question about the technique or technology aspect.

The detail of the role of each party will be explained in the National Investment Committee documentation of Statute and rule.

### **THE NEXT STEP OF AREED:**

The coming year will be very important for the disabilities of the AREED activities in Mali. There are several activities to plan, by the priority will be:

- Implementation of the guarantee fund in two nationals' banks level: after mistake with Ecobank, the AREED Mali needs to make careful about the local financial institution in the term of the agreement sheet.
- Signature of convention (Agreement sheet) with the law accord with the banks, about the management of the guaranty fund now we planned to make lawyer documents (juridical), which protect the aim of the guarantee fund, and the use of the losses security reserve.
- The reimbursement of the loan make for the productive use of energy: around two years the guarantee fund will be recover in totality (165,000 US\$) by the reimbursement of the loan make the Nyetaa Finances to the productive use f energy after the break of Ecobank agreement.
- Implementation of the national credit committee: before the ends of the first bi-annual we planned to install the Malian National investment committee.
- Financing of household and productive use of energy:

# **ANNEXES**

## **ANNEXE 1: The description of projects submit to the productive use of energy mechanism**

**Locality:** Garalo and Yanfolila

**Period:** March 2010

**Partners:** MFC Nyetaa, Ecobank, UNEP, Insurance NALLIAS, Bosch

Mamadou Kane: Enterprise of supply and maintenance and repair of systems of drinking water, and electric motors. The company submits an application for loan to Nyetaa Finance at amounting to 1,215,670 CFA francs for the purchase of a tricycle to transport equipment maintenance and also to enable the company to connect to the grid.

Seydou Mariko: Contractor, working in the field of metalwork is a usage of electrical power supplied by the company Garalo ACCESS LTD. The company has requested a loan of equipment Nyetaa Credit Finance as part of the UNEP initiative to support the productive use of energy in rural areas. His request amounts to FCFA 2,250,000, which should serve him to acquire more efficient equipment for his business. Currently the firm jobs 5 permanent staff.

Saran Sangare: has a restaurant, Ms. Sangare Saran leads a micro-enterprise family, which also uses some time an extern people or seasonal job. She requested a loan to finance Nyetaa in working capital to increase its activity by selling at night thanks to the presence of electricity. The amount of the loan application is FCFA 550 000.

Bintou KANE: it works in the field of restoration, and traditional hotels. The business in located in the commercial area of Garalo, thanks to electricity it had several opportunities to better meets the needs of its customers. So she requested a loan of equipment for a productive Nyetaa Finances the freezing material equipment and working capital up to FCFA 650 000 FCFA. She currently has two jobs.

Mamadou Warama: Carpenter metal, employing 6 people including three permanent and three apprentices Mr Warama is a user of the Mini grid in Garalo providing by ACCESS SARL. He has submitted an application for funds to Nyetaa Finance under the equipment loan, to acquire the materials and equipment as well as working capital to boost its activity. The requested amount is 925 300 FCFA.

Masarani KANE: has is own restaurant and employing two people thanks her business. She submitted a credit application for the working capital to procurement of electric material for the restoration, and to be connect to the mini grid, the amount demand in FCFA 575 000

Adja KANE: has a micro-restoration company, trading for selling products on the season. It manifests its credit application at Nyetaa Finance to purchase the electric freeze equipment to establish a capital fund to expand its activities, and connect to the local mini grid. The demand amount is FCFA 650,000

Balla SANGARE: Contractor's request for electric materials for its activities. He submits the demand to Nyetaa Finances, and the demand amount is FCFA 435,000.

Abou KANE: Garalo's vulcanization, it makes the repair, and gluing tires. With the opportunity thanks to the presence of the electric in Garalo, he sought financial support

from Nyetaa Finance to improve its equipment and to make a modern system. He submit its demand with the amount of FCFA 594 100.

Siaka SAMAKE: Carpenter to Garalo, used to screen, the old model of grinding wheel, and generators to meet its energy needs. With the support of Nyetaa Finance, the contractor will submit a support of 3,455,000 FCFA to change a number of hardware and operating equipment.

Commercialization of Solar LED in rural area: the enterprise ACCESS demand the financial support for the AREED project to develop the market for the LED solar lantern and recharge cell phone in rural area. The promoter asks for 25 millions FCFA to buy a stock and working capital for marketing and promotion of the products.

Drying product by solar technology: the women cooperative of the South of Mali makes a demand for financial support to increase their capacity and make modern them drying system. They are now in negotiation with Nyetaa Finances For that demands AREED- to support them to develop the drying product for Mangoes, meat, and onion in rural area. This support will be allow them to increase the

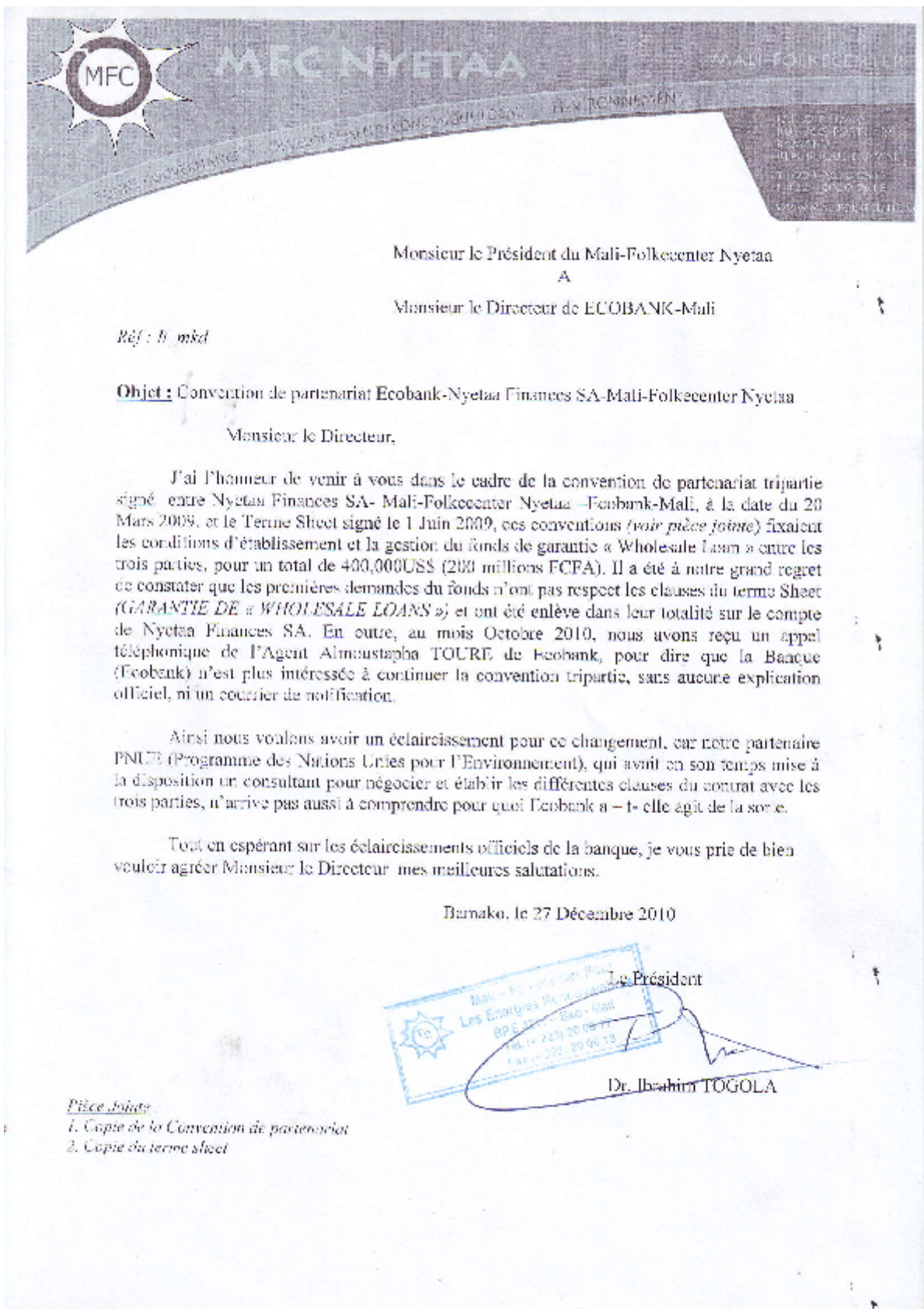
**ANNEXE 2: THE DEMANDE OF THE INDIVIDUAL SOLAR EQUIPEMENT**  
(Garalo and Bougouni area)

**REPertoire DES BESOINS EN PANNEAUX SOLAIRES**

N°	COMMANDE	TYPES DE KITS SOLAIRES	NOMBRE	P.U	MONTANT en FCFA	MONTANT en \$US
1	KARAMOKO SANGARE	Kits Solaire avec 2 Ampoules	2	121.150	242.300	535,75377
2	BEKAYE BAGAYOKO	Kits Solaire avec 2 Ampoules	2	121.150	242.300	535,75377
3	ADAMA DOUMBIA	Kits Solaire avec 2 Ampoules	2	121.150	242.300	535,75377
4	ALY DIALLO	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
5	SOULEYMANE DIAKITE	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
6	MARIAM TANGARA	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
7	DRISSA TRAORE	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
8	BAKARY BAGAYOKO	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
9	BAKARY GOITA	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
10	MORY MOUSSA SAMAKE	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
11	MOHAMED SAMAKE	Kits Solaire avec 2 Ampoules	1	121.150	121.150	267,876885
12	VILLAGE DE SAGUANA	Kits Solaire avec 2 Ampoules	10	121.150	1.211.500	2678,76885
13	VILLAGE DE ZAMBOURLA	Kits Solaire avec 2 Ampoules	10	121.150	1.211.500	2678,76885
14	VILLAGE DE KODOUGOU	Kits Solaire avec 2 Ampoules	10	121.150	1.211.500	2678,76885
15	VILLAGE DE MASSABLA	Kits Solaire avec 2 Ampoules	6	121.150	726.900	1607,26131
16	VILLAGE DE DJERILA	Kits Solaire avec 2 Ampoules	6	121.150	726.900	1607,26131
17	VILLAGE DE SANSIGUILA	Kits Solaire avec 2 Ampoules	6	121.150	726.900	1607,26131
18	VILLAGE DE BOMBALA	Kits Solaire avec 2 Ampoules	5	121.150	605.750	1339,38442
19	VILLAGE DE MADINA	Kits Solaire avec 2 Ampoules	10	121.150	1.211.500	2678,76885
20	VILLAGE MENA	Kits Solaire avec 2 Ampoules	5	121.150	605.750	1339,38442
21	VILLAGE DE TIOMBALA	Kits Solaire avec 2 Ampoules	5	121.150	605.750	1339,38442
22	COMMANDE GLOBALE	Chargeur Portables	5	105.000	525.000	1160,83669
23	COMMANDE GLOBALE	Lampe Solaire	20	31.500	630.000	1393,00402
	<b>Sous Total Bougouni</b>				<b>11.695.050</b>	<b>25859,1297</b>
22	VILLAGE TANGALA	Kits Solaire avec 2 Ampoules	10	121.150	1.211.500	2678,76885
23		Chargeur Portables	1	105.000	105.000	232,167337
24	VILLAGE SENA	Kits Solaire avec 2 Ampoules	10	121.150	1.211.500	2678,76885
25		Chargeur Portables	1	105.000	105.000	232,167337
26	VILLAGE KOTIE	Kits Solaire avec 2 Ampoules	10	121.150	1.211.500	2678,76885
27		Chargeur Portables	1	105.000	105.000	232,167337
28	VILLAGE KEREKOU MANA	Kits Solaire avec 2 Ampoules	15	121.150	1.817.250	4018,15327
29		Chargeur Portables	1	105.000	105.000	232,167337

30	Commande Globale	Lampe Solaire	15	31.500	472.500	1044,75302
	<b>Sous Total Garalo</b>				<b>6.344.250</b>	14027,8822
<b>TOTAL GENERAL</b>					<b>18.039.300</b>	<b>39.887</b>

ANNEXE 3: letter for ECOBANK



ANNEXE 4: the bank statement for BMS

**BMS**

01001 AGENCE PRINCIPALE  
NYISSA FINANCES  
BOUGOUNI CENTRE HEREMAKONO

XOF FRANC CFA-BCEAO

RELEVÉ DE COMPTE DU 13/10/2010 AU 29/12/2010

Code Banque	Titre	Compte	R.I.D
00102	01001	30730401001	72

Explorant: SOUFIANA DIARRA

Solde au 13/10/2010

0

Date	Libelle operation	Val	Debit	Credit	Debit	Credit
27/10/2010	EMLESTAR 7995-D OMD NYISSA FIN	28/10/2010		40 000 000		40 000 000
28/10/2010	AGROS DU 30/09/10 AU 31/10/10	31/10/2010	7 475			39 992 525
29/12/2010	AGROS DU 31/10/10 AU 31/11/10	30/11/2010	7 475			39 985 050
Total general mouvement				Total credit	Solde debit	Solde credit
			14 950	40 000 000		39 985 050
Solde au 29/12/2010						+39 985 050



NB : Nous vous serions obligés de nous signaler au plus vite toutes divergences par courrier à la Direction Générale. A défaut d'observation dans le délai d'un mois, le présent relevé sera considéré définitivement approuvé par vous.

29/12/2010 11:43

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