



I - Course history

The mechanism of refinancing of decentralized financial systems –(MEREF – SFD) is the expression of a developed by the Government of Mali, the technical and financial partners, including funds International of agricultural development) (IFAD), Governments of the Canada, the Denmark and the World Bank in the context of the implementation of the rural Microfinance program (PMR) carried out from 2010-2018.

From the outset the PMR has implemented a mechanism of financing systems (SFD) decentralized financial or microfinance institutions (MFI) partners with a strictly rural base or points of services in its areas of intervention. A shared institutional Credit Fund (FCIP) was thus launched in 2013.

The FCIP helped refinance, in the form of availability of credit lines, 11 SFD for an outstanding end of 2017 to 2,453 billion FCFA. The credit fund for an initial amount of 2.4 billion FCFA mobilized on the own resources of the PMR has been embellished to 4,368 billion FCFA with the entry of new donors that are the project bank Mondiale/FIDA.

The success of the institutional sharing Credit Fund, and in order to scale and to institutionalize such a device, the Government of Mali, according to Decree No. 2018-570 PM - RM of 16 July 2018, has created the refinancing mechanism of (MEREF-SFD) decentralized financial systems.

Lee MEREF-SFD is placed under the institutional responsibility of the Ministry responsible for the promotion of microfinance.

MEREF-SFD's main mission is to put at the disposal of the SFD of the lines of funding coupled with technical assistance in order to increase their ability to finance the SFD activities, especially in rural areas in a sustainable way.

In accordance with the overall objective in the context of the implementation of national policy of development of micro-finance, in its axis 2 namely: **"protect customers and promote a broad and diverse access to financial services,"** the specific objective the SFD MEREF is **' develop and make available to the system " "decentralized financial (DFS), a mechanism of funding innovative, reliable means to cover higher demand people '**, through the establishment of credit lines for essentially composed vulnerable **of women, youth and farmers.**

Access to financing through the banking market or investors in microfinance is strongly contracted for the large networks; While for intermediate sized networks, restructuring and consolidation inter/intra-networks required by regulation to secure and professionalize the sector call for a certain external technical support in the duration in order to build a real capacity of absorption of commercial financing.

Different size SFD 31 that currently make up the bulk of the microfinance sector, however, showed a certain resiliency to continue to serve these last two years, a stable, or even slightly increasing level of customers borrowers and savers Sanitizer gradually their portfolios.

The MEREF is based on the following achievements of the FCIP:

- Extension to new areas to ensure synergy and strategic complementarity with operations on Canadian (Sikasso, Kayes and Timbuktu) funding;
- Partnership focused on performance with 11 new SFD whose capacity will be strengthened governance, development of rural financial services, healthy portfolio, production of reliable information, cost control management and sustainability;
- Promotion of access to financial services to approximately of 100 000 new beneficiaries active in agricultural industries and rural entrepreneurial activities;
- Support for improving the quality of rural financial service demand;
- Capacity-building of the cell of Coordination and Surveillance (CCS - SFD) and the professional association of decentralized financial systems (APSF) of Mali.

The impact resulted in an improvement in the level of banking services to the low income population. At least 100,000 people on low incomes had access to micro-credit at the level of the SFD partners through Mali through the revolving which generated over 14 billion FCFA almost 22.4 million USD between 2013 and 2018.

In the volume of appropriations, agriculture 50%, income-generating activities for women represent 46% crafts 3%, farming and fishing are 1%.

THE MECHANISM OF REFINANCING OF DECENTRALIZED FINANCIAL SYSTEMS

The international community pledged to halve poverty in the world by 2030. This objective is no doubt. But to achieve it, we must mobilize new and important ways. And, among them, microfinance can play a key role because it allows the poor to look beyond the horizon of survival, to build a future of dignity.

In Mali, the development of micro-finance is a major strategic focus in public policies of implementation of the vision of the highest authorities, to build a new Mali. It is in this registry to register, the mission assigned to decentralized financial systems namely: play a key role in the creation of generating income and jobs, in accordance with the terms of the reference document of public policy that constitutes the strategic framework for economic recovery and development sustainable (CREDD) **2016-2018**.

The initial goal is to make Micro finance, a valuable tool to improve financial inclusion to the benefit of the poorest.

In order to make a reality of financial inclusion, he initiated the establishment of the mechanism of refinancing of decentralized financial systems (MEREF - SFD).

WHAT IS THE MEREF - SFD?

The MEREF - SFD was established by Decree No. 2018-570 PM - RM of 16 July 2018. It is the expression of a developed by the Government of Mali, the technical and financial partners, including the International Fund for agricultural development (IFAD) and the Government of the Canada, as part of the implementation of the Programme of Microfinance rural (PMR) carried out from 2010-2018.

In accordance with the overall objective in the context of the implementation of national policy of development of micro-finance, in its axis 2 namely: **"protect customers and promote a broad and diverse access to financial services,"** ospecific purpose under the SFD MEREF is ' **develop and put at the disposal of the SFD " " , a mechanism of funding innovative, reliable means to cover higher demand people ' ,** through the establishment of lines of credit for vulnerable mainly composed of women, youth and farmers.

The development of microfinance has confirmed the accuracy of the vision of his first INSPIRER, Professor Muhammad YUNUS. Brilliant successes demonstrate the universality of this instrument to combat

exclusion, because it relies on the best of the man: solidarity, trust, dignity and entrepreneurship. Building on these successes, microfinance should change the scale.

With an initial Endowment Fund of 4,368 billion FCFA in 2018, the MEREFSFD aims to contribute fully to the achievement of this goal.

Dès lors, il s'agira de mettre le potentiel de la microfinance au service des Objectifs de Développement Durable (ODD) et libérer le potentiel de la microfinance, c'est d'abord établir un cadre légal et fiscal adapté.

TUTELLE INSTITUTIONNELLE

Le MEREFSFD est rattaché au Ministère du Développement Industriel et de la Promotion des Investissements (MDIPI), Chargé de la Promotion de la Micro finance.

GOUVERNANCE

- *Le Comité d'Orientation est l'organe de décision. Il est piloté par le Ministre du Développement Industriel et de la Promotion des Investissements, Chargé de la Promotion de la Micro finance.*

Members :

- le ministère de l'Économie et des Finances ;
- le ministère de l'Agriculture ;
- le ministère de la Jeunesse de l'Emploi et de la Construction Citoyenne ;
- le ministère de la Promotion de la Femme, de l'Enfant et de la Famille ;
- le Programme pays du FIDA au Mali ;
- l'Ambassade du Canada au Mali
- l'Ambassade du Danemark ;
- l'Association Professionnelle des Systèmes Financiers Décentralisés du Mali (APSFDMali) ;
- l'Association Professionnelle des Banques et Etablissements Financiers du Mali (APBEF) ;
- l'Assemblée Permanente des Chambres d'Agriculture du Mali (APCAM) ;
- la Coordination Nationale des Organisations Paysannes du Mali (CNOP) ;
- le Centre de Promotion et d'Appui des Systèmes Financiers Décentralisés (CPA/SFD).

- *The Audit Committee is the organ of control. It is chaired by the Minister of finance.*

Members :

- the Ministry of economy and finance;
- the Department of Agriculture;
- Representative of the technical and financial partners

- *The cell Technique of Coordination of MEREFSFD is the management body. She is led by a Coordinator assisted by:*

- *A private Secretary*
- *A Charge of investment*
- *A technical assistance officer*
- *A financial and administrative manager*

A selection board is attached to the technical management unit.

PARTNERS TECHNIQUES AND INVESTISSEURS

- the Government of Mali
- IFAD, through the PMR and inclusive projects
- The Government of the Canada, through the PMR/Nations project
- the Bank Mondiale/FIDA through the project the PAPAM
- The Danish Cooperation (DANIDA) through the inclusive project.

FIELDS OF INTERVENTION

The SFD MEREF intervenes throughout the national territory.

MISSIONS

The main mission of the SFD MEREF is put at the disposal of the SFD of the lines of funding coupled to technical assistance in order to increase their ability to finance the SFD activities, especially in rural areas in a sustainable way.

For this purpose the MEREF SFD is responsible for:

- i. mobilize with the technical and financial partners and any public or private structure interested, financial resources and I ' appropriate expertise;
- ii. gérer les financements mis à la disposition des SFD dans le cadre du Programme de Microfinance Rurale (PMR) appuyé par le FIDA ;
- iii. abriter des guichets de financement prévus par certains projets ou programmes, ciblant des groupes spécifiques selon des modalités propres.

LOCALISATION

La Cellule de Coordination du MEREF-SFD est située Hamdallaye ACI 435, Bamako.

ZONES D'INTERVENTION

Le MEREF- SFD intervient dans toutes les régions du Mali et toutes ses actions sont orientées prioritairement en direction du milieu rural.

OBJECTIFS STRATEGIQUES

- **cibler les SFD ruraux et/ou ayant une activité de financement de l'agriculture** avec une segmentation possible des emplois (« guichets spécialisés ») pour couvrir :
- accompagner les SFD ayant une spécialisation / souhaitant se diversifier sur le crédit équipement agricole, avec les emplois de long terme ;
- ii) financer les cibles rurales et les crédits liés aux cycles agricoles, spécialement pour les SFD en phase de consolidation, avec les emplois de court terme;
- renforcer la situation de trésorerie des SFD en phase de restructuration par des apports de très court terme ;
- **diversifier la nature des emplois** pour le financement à moyen terme et le ciblage des jeunes et des femmes ;
- **lean back the Fund to credit risk management mechanisms** (guarantee funds, agricultural insurance) in order to better cover the financing needs of the SFD involved in financing agriculture and rural targets and adjoining risks for the financiers;
- **pair the funding to the delivery of technical assistance** in order to consolidate institutional sustainability and self-sufficiency operational of the SFD funded;
- **have a selective approach entering the selected DFS** in a process of virtuous transparency, performance and compliance with regulations;
- **promote an interface to commercial financing** by securing investors and participating in their networking with solvent SFD that is will be made distinguished by their transparency on the one hand, and in the "upgrading" on the other hand;
- **rely on a montage of public-private partnership (PPP) which catalyzes the sources of funding** (national and international, public and private) as well as the partners funding technical assistance and combines all of the stakeholders of the sector; in the definition and coordination of interventions

- **expand the resources mobilized from other donors** (PTF, private sector).
- **OBJECTIFS OPERATIONNELS**
- améliorer l'accès des SFD ciblés aux services financiers adaptés aux besoins des populations dans leurs zones d'intervention ;
- gérer les financements mis à la disposition des SFD par les partenaires techniques et financiers ;
- gérer les financements mis à sa disposition par l'intermédiaire d'un ou à plusieurs opérateurs agréés par la BCEAO;
- abriter des guichets de financement prévus par certains projets ou programmes, ciblant des groupes spécifiques selon des modalités propres ;
- mobiliser auprès du Gouvernement , des partenaires techniques et financiers ou toute autre structure publique ou privée intéressée, des ressources financières et l'expertise idoine pour assurer sa pérennité financière ainsi que son autonomie institutionnelle et les fonctions y rattachées.

CIBLES

Le MEREF-SFD a vocation à financer les SFD intervenant principalement en milieu rural ou ayant des points de services dans leurs zones d'intervention pour favoriser le financement des micro entreprises agricoles et des activités génératrices de revenus et d'emplois pour les femmes et les jeunes.

Les SFD ciblés doivent être viables ou être capables de présenter un plan d'affaires démontrant l'atteinte de la rentabilité des actions proposées dans le court et le moyen terme. Leur financement doit soutenir principalement les activités agricoles. Elles doivent aussi démontrer un impact social élevé comme étant partie intégrante de leur mission.

ELIGIBILITY CRITERIA

The DFS target must meet the following specific criteria:

Qualitative criteria:

- be approved and explicitly commit to providing financial services to micro-enterprises in rural and agricultural;
- Finance mainly agricultural activities;
- proof of a social impact of interventions: availability of analysis of impact or commitment to achieve in a reasonable amount of time, consistency between the expressed mission and practices in operations and the business plan adherence to standards accepted in the microfinance sector in Mali.

Quantitative criteria :

- justify a good history of refund with the FCIP/MEREF-SFD ;
- have a 30 (portfolio at risk at 30 days), including refinanced loans (restructured or rescheduled), below 10% consistently during the last 3 years;
- have at least three (3) years of operationality
- demonstrate operational self-sufficiency during the three (3) years;
- present financial accounts audited;
- comply with the anti-money laundering procedures adopted by the Committee of the SFD MEREF orientation,
- be members or commit to join short-term to the principles of protection of clients according to **The ' Smart Campaign ' ;**
- have a governance and management structure following the principles of good governance recognized internationally, including respect for local control.

INTERVENTION STRATEGY

The SFD MEREF offers one form of investment for its start-up: the deposit term (DAT) with two separate windows.

📖 A window dedicated to the refinancing of the SFD for:

- Short term funding targets rural and credits related to cycles farm (campaign credit), especially for the SFD in consolidation phase;
- Loan in the medium term to accompany the SFD with specialization / wishing to diversify credit agricultural equipment including the funding of adaptation activities to climate change to farmers, small producers and promoters of economic initiatives
- a contribution of short-term cash to bring resources to the SFD undergoing restructuring.

📖 **A one-stop dedicated to financial facilities** which will be administered as a financing cost-shared for productive partnerships, generating revenue (AGR) and micro rural (sea) of youth.

STRATEGIC OBJECTIVE 2019-2022

Despite the improvement in the supply of credit to the SFD, it remains largely below actual demand estimated at 50 billion FCFA, or 80 million USD.

The SFD MEREF aims to mobilize the 80 million USD from various suppliers of resources to refinance the SFD engaged to improve access of people on low incomes in the financial products and services they need and that they can leverage in their environments.

HOW TO BECOME PARTNER OF THE SFD MEREF?

The legislation allows the SFD MEREF to mobilize financial resources for the achievement of its objectives with the technical and financial partners, private sector, associative and public who seek to give.

Financial investments and responsible and ethical funds are secured by national and international technical assistance, which will allow the recipient SFD of *i*) develop products and services increasingly inclusive, diverse and adapted to the characterized customers target, *ii*) to improve their governance and to better contribute to the achievement of the objectives of the national policy of development of the microfinance and the ODD 2030.

GUARANTEED INVESTMENT IMPACTS?

Promoted by the SFD MEREF inclusive finance is the best tool to combat poverty in Mali through the potential of creating employment and income for the socio-professional actors in addition to conventional opportunities to access to credit.

The resources mobilized will directly impact the following direct target clients:

- 15,000 rural peasants, who will have access to agricultural credit in a timely manner to carry out their productive activities and to respect the agricultural calendar which impacts production;
- 150,000 women who will have easy access to finance for their income-generating activities to empower them economically and overcome poverty and underemployment;
- 100,000 young people who will have access to the seed money through a solidarity credit system to self-employ and offer employment opportunities to at least 25,000 other young people during the period.

Three million people, 80% of whom are in rural areas, not eligible for standard banking criteria, 65% women and 80% will be affected by 2022.

By choosing to invest in the MEREFSFD, you support projects with strong social, economic and environmental utility and thus contribute to reducing social inequalities and poverty of means!

We will succeed together the bet of the financial inclusion in Mali!!!