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## Access to Water and Renewable Energy implemented by IMF Pays Dogon



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# PAMIGA's "Water & Microfinance Initiative"

- **"Water and Microfinance Initiative"**: program implemented by PAMIGA since 2012 through the **financial support of the Swiss Agency for Development & Cooperation (SDC)**.
- **Four countries in West Africa**: Senegal, Burkina Faso, Benin and Mali.
- Started in **Senegal in 2012 (UIMCEC)** and in **Mali in 2015 (CVECA-Pays Dogon)**.
- **508 loans disbursed** in the 2 countries, for a total amount of **EUR 606,315**, benefitting to more than **2500 individuals** (household members).



# About Mali and “Pays Dogon”

- **Mali:** eighth-largest country in Africa (and second in West Africa), with an area of just over 1,240,000 square kilometers.
- **Population:** 15 million.
- **Agriculture:** 80% of total workforce.



- **Pays Dogon:** part of the Mopti region (750km north of Bamako).
- Four administrative circles: Bankass, Bandiagara, Douentza and Koro.
- Highest potential for horticulture production in the country.

# The Network of CVECAs of Pays Dogon, Mali

- Created 30 years ago (1986).
- License to operate obtained in 1997 from the GoM.
- Partner MFI of PAMIGA since 2006 (founding member).
- HQ in Koro with 13 full-time staff.
- 27 branches.
- More than 23,000 clients (members).



## **Mission:**

*Provide financial and non-financial services to rural populations of “Pays Dogon”, and help them improve their livelihoods through the development of their income-generating activities.*



# Promoting Access to Productive Water

## NEEDS IDENTIFIED

- **87%** of clients rely on horticulture as their main source of income.
- **63%** are smallholders with land size between 0.25ha and 0.5ha.
- **82%** have challenges accessing productive water.
- **97%** of clients rely on manual irrigation techniques, and need modern equipment.



## OBJECTIVE OF THE INITIATIVE

- Improve the access of rural populations (smallholder farmers, in particular) to productive water, to enable them to:
  - Expand their irrigated perimeters / acreages;
  - Diversify their production with high added value crops;
  - Increase their financial income;
  - Improve their livelihoods;
  - Better manage available water resources.



# Role of PAMIGA and PFSA

## Credit Facility from PAMIGA Finance SA

- **Framework credit agreements**
  - **UIMCEC Senegal:** EUR 600K signed in October 2012 and fully repaid to PFSA in June 2015. New credit line of EUR 900K signed in September 2015 for a total duration of 4 years .
  - **Pays Dogon, Mali:** EUR 360K signed in July 2015, for a total duration of 6 years, and 2-year credit lines.

## Technical Assistance from PAMIGA Association

- Feasibility study and needs assessment.
- Baseline study on the potential environmental impacts of micro-irrigation projects.
- Financial product development (definition of product features, procedures and risk management tools).
- Staff orientation and training: ToT sessions and grooming/mentoring of one “Irrigation Champion” per country/MFI.
- Technology selection and partnership building: screening and selection of local irrigation technologies and providers.
- Follow-up and monitoring of project implementation.

# Results achieved

- **Diversification of product offering:** introduction of a new financial product adapted to the needs of smallholders.
- **508 loans disbursed** in the 2 countries, benefitting to more than **2500 individuals** (household members). About **63% = women**.
- **52 staff trained** on product features, procedures and the thematic of access to irrigation through microfinance.
- **Increase in acreages** cultivated, by around +50-60% (estimates from Pays Dogon).
- Increased volume of **horticultural production**.
- **Training** of local village technicians on repair and maintenance of equipment; training of end-users on equipment features (Pays Dogon).





# Lessons Learnt



## Key success / sustainability factors

- Design/offer financial products that are adapted to the needs of clients (demand-driven).
- Thorough selection of sound technologies and providers.
- Reliability of irrigation equipment purchased (0 technical failure registered).
- Full integration and ownership by the MFI of the innovation, the procedures and processes, through training and skills transfer/building.
- End-user training on technology features.



Good loan repayment

# Recommendations

- Carry out pilot phase evaluation (Mali): document learnings, take corrective measures if required and define roll-out plan.
- Develop and strengthen a network of skilled village technicians for installation, maintenance/repair and after sales services (Mali and Senegal).
- Strengthen the MFI's skills in financial management, risk analysis, portfolio management (Mali).
- Fine-tune current marketing strategy to reach out to more clients in intervention areas (Senegal and Mali).
- Carry out environmental impact assessment and disseminate learnings and best practices (Mali).





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# Thank You!

**Savings and Credit Forum**

***Inclusive finance promoting high impact solutions for  
low income populations in rural communities***

***The PAMIGA model for improved access to water and energy***

Thursday 3<sup>rd</sup> March 2016

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