

**APPENDIX A:  
PROJECT DESCRIPTION  
MALI POLYFORMATIQUE INTERNET ACCESS PROJECT**

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

Information and communications technologies and the demand for the services of skilled computer professionals are growing in Mali. The Government of Mali has a program to connect the 701 communes in the country to the internet. However, this policy cannot be implemented without the availability of competent local service providers. In addition, the Government gives high priority to the introduction of computers and information systems in the Malian educational system, Non-governmental organizations (NGOs), and other training and community development structures.

Three regions outside Bamako, Segou, Sikasso, and Tombouctou, now have adequate infrastructure to support internet services; but only Tombouctou has a local service provider. Elsewhere, services are still limited to Bamako-based providers who are not able to provide satisfactory service.

The Sikasso Region, which includes the districts of Bougouni, Kadiolo, Koutiala, Skalsso, Yanfolila, and Yorosso, has 50 NGOs, 240 businesses, 24 financial institutions, 12 radio stations, and 194 government services that are potential customers for information services. In addition, 523 professionals working for private, parastatal, and government services and their families constitute a specific target group whose professional and private activities encourage use of the internet.

The city of Sikasso's 7 secondary schools, including 3 technical schools, with an enrollment of over 7,600 students constitute another specific market for training and internet services. These schools do not currently offer computer training to their students in their curricula. Professional and technical schools in Bamako offer basic computer training, making graduates from these schools more competitive on the job market than those from Sikasso. Administrators from the three technical schools in Sikasso are developing plans to provide computer training for almost 2,000 students as part of their academic programs.

PolyFormatique YAYE Group (GPY), an economic interest group made up of seven computer professionals, has developed a positive regional reputation in Sikasso for providing quality computer training and installation services; helping clients select and purchase equipment and software; and developing software applications for specific customer needs. GPY has facilitated internet connections in Sikasso through a service provider based in Bamako. GPY continues to

provide these clients with technical assistance in the use of internet applications. GPY also facilitates the access of Sikasso students to computer services. As a result, GPY has become a central player in the region for the extension of new information and communication technologies.

However, GPY does not have appropriate facilities from which to offer services that meet customers' needs, especially for internet connections. GPY does not have up-to-date equipment to offer top-of-the-line services. In addition, its operating capital is insufficient to meet the demand for services resulting from promotional activities and training in the region.

### 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 7 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

#### B. Grantee Contribution

GPY will contribute the land on which it will construct the multimedia center (valued at 4,500,000 CFA). In addition, the group will pay the notary fees, insurance, and other application costs (3,650,000 CFA) for a bank loan of approximately 25,987,500 CFA that it will obtain from the Banque de l'Habitat du Mali (BHM) to construct the multimedia center. GPY will provide a Renault 4 diesel hardtop-type vehicle and 3 Yamaha Dame 80 motorcycles (estimated value of 4,000,000 CFA) for transport of GPY personnel. The group will also reinvest 30,825,000 CFA of retained earnings by Year III for a wireless internet connection for 10 large customers (cybercafes, projects/programs, or NGOs).

### IV. Project Goal

The goal of the Project is to improve socioeconomic conditions for Sikasso Region residents through promotion of new information technologies.

### V. Project Purpose

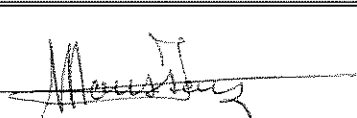
The purpose of the Project is to increase Polyformatique's revenues and incomes of its members.

- A. Net income generated by Polyformatique will increase from 256,000 CFA to 9,200,000 CFA in Year I, 16,900,000 CFA in Year II, 46,400,000 CFA in Year III, 49,400,000 CFA in Year IV, and 52,000,000 CFA in Year V.

ADF



Grantee



- B. Average monthly incomes of Polyformatique's employees will increase from 36,000 CFA to 135,000 CFA in Year II and thereafter.

## VI. Project Outputs

The Project will generate the following major outputs in order to attain the Project's purpose.

### A. Internet service

1. The number of internet subscribers with unlimited use accounts will increase from 0 to 100 in Year I, 300 in Year II, 450 in Year III, 473 in Year IV, and 500 in Year V.
2. The number of internet subscribers with unlimited use accounts will increase from 0 to 100 in Year I, 300 in Year II, 450 in Year III, 473 in Year IV, and 500 in Year V.
3. The number of public internet access points (cybercafes) will increase from 3 to 20 by Year V.

### B. Cybercafe services

1. The number of cybercafe user hours will increase from 0 to 6,840 in Year I, 23,250 in Year II, 34,875 in Year III, 36,625 in Year IV, and 38,460 in Year V.

### C. Training services

1. The number of students trained will increase from 0 to 550 in Year I, 1,530 in Year II, 2,300 in Year III, 2,400 in Year IV, and 2,530 in Year V.
2. The number of individuals trained will increase from 0 to 60 in Year I, 200 in Year II, 300 in Year III, 320 in Year IV, and 340 in Year V.

### D. Management capacity

1. Two systems engineers and 2 technicians will receive annual technical refresher training.
2. The number of full-time jobs will increase from 0 to 3 in Year I, 20 in Year II and thereafter.
3. The financial management system will produce quarterly P/L statements in Year I and thereafter.
4. A project performance monitoring plan will be developed in Year I; data will be collected, analyzed, and reported every four months thereafter on critical project indicators.

## VII. Activities

GPY will construct a multimedia center that includes an administrative block with a manager's office, an accounting/secretarial office, and a reception area; a technical block made up of a computer room (servers, routers, modems, switches, etc.), an office for the systems manager, and an office for the webmasters and the internet technicians; a training room equipped with necessary accessories; a cybercafe that includes a room with the computers, a snack bar, and a supervisor's counter; and a guard quarters and toilets. The center will be connected with the city grid for electricity and water, and the electrical supply will be supplemented by an emergency generator for service during power outages. The electrical system will be protected against lightning and power fluctuations. GPY will install equipment in the center as outlined in the financial plan.

The construction costs will be supported through a bank loan. The Malian Housing Bank has agreed to approve the loan if ADF agrees to cover the other project costs. The loan term will be 15 years with interest not to exceed 13%. The bank has agreed to provide the loan without its normal six-month waiting period. ADF funds will be used to cover the down payment for construction (multimedia center). GPY will cover the additional costs associated with the loan, including notary fees, insurance costs, and application fees from its own resources. ADF funds will be used to cover costs for construction studies and supervision, toilets and fence construction, and installation of services (water, electricity, telephone, network cables).

GPY will connect the center to the SOTELMA telephone network. The telephone system will include 2 standard lines (telephone and fax) and a specialized line to ensure the connection between the site and SOTELMA, the manager of the national locus for Internet service. GPY will obtain two RAD network modems to connect the specialized line with SOTELMA – one RAD modem at the SOTELMA and one RAD modem at the project site. GPY will install 32 lines to facilitate customer connections to GPY's Internet providing system.

GPY will offer to act as an internet service provider (ISP) to institutions and individuals in the Sikasso Region; operate a cybercafe to cater to students and private internet users in Sikasso who do not have their own computers or internet connections; provide computer and internet training services to schools, businesses, and individuals in the Sikasso Region; and offer maintenance service to its customers, as well as other users of computer equipment in the region.

GPY will install a wireless service connection for ten large customers in Year III using its own funds.

### B. Training and Technical Assistance

The Project provides for technical assistance and training for refresher and advanced courses for its systems engineers; training costs for connection/maintenance/customer service technicians; and advanced courses in modern computer training techniques. GPY will obtain qualified technical assistance to install and configure the overall system (servers, routers, messaging system) and start up its ISP service. Training will include accounting, business and financial management, and group management. The technical assistance during the first two project years

will ensure that GPY adopts and masters appropriate management systems. ADF will provide participatory monitoring and assessment training to enable the Grantee to establish appropriate systems to monitor its progress toward project objectives. The Project will fund HIV/AIDS prevention training for GPY group members.

In consultation with the ADF partner, GPY will hire a project financial manager during the first quarter of the project to provide full-time, on-site assistance to meet ADF reporting, financial management, and procurement requirements. ADF grant funds will be used to pay the manager's salary for the first two years, after which GPY will pay his/her salary.

#### VIII. Roles and Responsibilities of the Parties

GPY is responsible for ensuring the proper management and implementation of the Project. GPY will hire a Project Financial Manager to oversee the day-to-day activities of the Project. The ADF Partner in Mali, AED-Sahel, will provide technical and management assistance to GPY during the implementation of the Project.

#### IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will provide the Partner input for the Project monitoring plan. In addition, during implementation, the committee will have responsibility for ensuring that the Project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.

#### X. Other Implementation Issues

GPY will establish three bank accounts: (a) an account to manage the reinvestment funds; (b) an account to receive ADF funds; and (c) a current account. GPY will use the reinvestment account to receive regular deposits for equipment replacement and reserves to acquire additional equipment. It will make deposits to the account on a quarterly basis (at a minimum) beginning as soon as it begins managing the new facilities.

GPY will submit documentation to ADF from the Banque de l'Habitat du Mali (BHM) that commits the Bank to providing a loan for construction of the multimedia center, contingent upon a 30 percent down payment from the applicant at the terms indicated in Section VII. No disbursements will be made for the project until the documentation has been received by the Foundation.

ADF  Grantee 

**COUNTRY: MALI**  
**SIKASSO INTERNET ACCESS PROJECT**  
**LOGICAL FRAMEWORK**

OBJECTIVES	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>Goals:</b> Socioeconomic status of Sikasso Region residents improved			
<b>Purpose:</b> Polyformatique net income and employees' incomes increased.	1.1. Net income generated by Polyformatique increased from 256,000 CFA to 9,200,000 CFA in Year I, 16,900,000 CFA in Year II, 46,400,000 CFA in Year III, 49,400,000 CFA in Year IV, and 52,000,000 CFA in Year V.  1.2. Average monthly incomes of Polyformatique's employees increased from 36,000 CFA to 135,000 CFA in Year II and thereafter.	<ul style="list-style-type: none"> <li>▪ Profit/loss statement</li> <li>▪ Payroll records</li> </ul>	<ul style="list-style-type: none"> <li>▪ Telecommunications systems are maintained and expanded</li> </ul>
<b>Outputs:</b> 1. ISP services provided	1. Number of internet subscribers with unlimited use accounts increased from 0 to 100 in Year I, 300 in Year II, 450 in Year III, 473 in Year IV, and 500 in Year V. 2. Number of internet subscribers with limited use accounts increased from 0 to 260 in Year I, 865 in Year II, 1,300 in Year III, 1,360 in Year IV, and 1,425 in Year V. 3. Number of public internet access points (cybercafes) increased from 3 to 20 by Year V.	<ul style="list-style-type: none"> <li>▪ Performance reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Telephone systems are maintained</li> <li>▪ Government of Mali and donors continue to support development of the information technology sector</li> </ul>
2. Cybercafe services provided	1. Number of user hours increased from 0 to 6,840 in Year I, 23,250 in Year II, 34,875 in Year III, 36,625 in Year IV, and 38,460 in Year V.	<ul style="list-style-type: none"> <li>▪ Customer payment records</li> </ul>	

3. Training services provided

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	<p>1. Number of students trained increased from 0 to 550 in Year I, 1,530 in Year II, 2,300 in Year III, 2,400 in Year IV, and 2,530 in Year V.</p> <p>2. Number of individuals trained increased from 0 to 60 in Year I, 200 in Year II, 300 in Year III, 320 in Year IV, and 340 in Year V.</p> <p>1. 2 systems engineers and 2 technicians received annual technical refresher training.</p> <p>2. Number of full-time jobs increased from 0 to 3 in Year I, 20 in Year II and thereafter.</p> <p>3. Financial management system producing quarterly P/L statements in Year I.</p>	<ul style="list-style-type: none"> <li>▪ Training, activity reports</li> <li>▪ Profit/loss statements</li> </ul>	
<p><b>Components:</b></p> <p><b>1. Multimedia center</b></p> <p>1.1. Construction</p> <p>1.2. ISP server</p> <p>1.3. Cybercafe</p> <p>1.4. Training center</p> <p>1.5. Administration</p> <p><b>2. Training and Technical Assistance</b></p> <p><b>3. External audit</b></p> <p><b>TOTAL</b></p>	<p><b>1. CFA 104,835,000</b></p> <p>1.1. CFA 22,600,000</p> <p>1.2. CFA 20,220,000</p> <p>1.3. CFA 13,530,000</p> <p>1.4. CFA 15,780,000</p> <p>1.5. CFA 32,705,000</p> <p><b>2. CFA 19,450,000</b></p> <p><b>3. CFA 2,700,000</b></p> <p><b>CFA 126,985,000</b></p>	<ul style="list-style-type: none"> <li>▪ Financial reports</li> </ul>	

Reviewed and Approved:

Ibrahim Dione

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