



ssnup

Smallholder Safety Net
Upscaling Programme

IMPROVING THE MANAGEMENT INFORMATION SYSTEM OF A FINANCIAL INSTITUTION IN MADAGASCAR



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

CONTEXT

Madagascar is the fifth-largest island in the world and is located in the Indian Ocean. Its economy is based mainly on agriculture, tourism, production of goods with low added value, and mining. The agriculture sector is the backbone of Madagascar's national economy, accounting for 30% of GDP. It also generates 30 to 40% of exports and employs 80% of Malagasy families on approximately 2.5 million small farms.

The country is however very vulnerable to climate change. An estimated 25% of the population, approximately 5 million people, lives in high risk areas of natural disasters and over 70% of the island's inhabitants live below the poverty line, 85% of them in rural areas.¹

CURRENT STATUS OF THE INVESTEE

Vahatra is a microfinance institution based in Madagascar with over 20,000 active borrowers and a strong agricultural and social focus. It focuses exclusively on a population living on less than USD 2 per day and mainly targets women, agricultural activities, and activities related to services and trade.

The MFI supports its clients, both economically and socially in order to improve their resilience. Vahatra serves its customers through its 38 branches and more than 230 employees. SIDI is supporting Vahatra through its institutional transformation from an NGO to a regulated credit company. SIDI have also given their agreement in principle at the beginning of 2022 to participate in the capital of the future company.

OBJECTIVE OF THE PROJECT

The main objective of the project is to support Vahatra in the development of an IT department adapted to its future institutional transformation into a regulated company. By improving efficiency of its Management Information System (MIS), the project aims to increase the penetration of financial services to serve an additional 10,000 clients by 2025, of which at least 75% are in rural areas and 66% are women.

IMPACT INVESTOR



AGGREGATOR / INVESTEE

Vahatra, Madagascar

TARGETED N° OF FARMERS

10,000 farmers

AGRICULTURAL VALUE CHAIN

Multiple value chains, including pig farming, potato, and rice production.

STARTING DATE

28/03/2022

DURATION

6 months

TOTAL TA BUDGET

€ 49,425
Including € 22,466 (45%)
contribution from SSNUP

¹ <https://www.ifad.org/en/web/operations/w/country/madagascar>

