



**ssnup**

Smallholder Sustainability  
Upscaling Programme

## STRENGTHENING THE ANALYSIS OF AGRICULTURAL LOANS IN MADAGASCAR



Africa



Latin America



Asia



Financial services delivery



Capacity building for end  
beneficiaries



Market access and  
product development



Management systems  
improvement

### CONTEXT

With a total land area of about 580,000 square kilometres, Madagascar is the fifth biggest island in the world and the largest in Africa. It has a population of around 33 million people of which 60% live in rural areas. The agriculture sector in Madagascar remains the backbone of the country's economy, employing around 75% of the population and accounting for about 30% of GDP. The sector is dominated by smallholder, family-run farms—99% of agricultural holdings are family farms, with most cultivating a mix of crops and livestock. Rice is the main staple and economic activity, supporting livelihoods for about 10 million people, but production growth is slow, contributing to high rural poverty and food insecurity. Madagascar is also the world's leading exporter of vanilla, cloves, and lychees, with significant potential in aquaculture and fisheries, though these sectors remain underdeveloped.

### CURRENT STATUS OF THE BENEFICIARY ORGANISATION

Initially established as NGO, Vahatra became a public limited company in October 2024 and obtained its Level 1 microfinance licence (credit only) to consolidate its business and comply with regulatory requirements. Vahatra S.A. is now in a phase of strengthening its model and professionalisation. The institution offers loans to vulnerable populations living on less than USD 2 per day with an average loan amount of EUR 100 and is directly contributing to greater financial inclusion in Madagascar. Vahatra SA is currently serving 15,000 customers mainly in rural areas around Antsirabe, 70% of whom were women.

### OBJECTIVE OF THE PROJECT

The main objective of this project is to improve Vahatra's operational efficiency by digitising the agricultural credit analysis process.

The expected results of the project are:

- Produce of sector factsheets for the pig, chicken, and rice value chains.
- Design, development, and implementation of an open-source automation application to fuel cash-flow generation as part of the credit analysis process.
- Train 154 employees in the use of the application.

### PRIORITY TOPICS

Environment  
and climate change



Food security  
and improved nutrition



Gender equality



Fair agrifood systems



### IMPACT INVESTOR

**Sidi** Solidarité Internationale  
pour le Développement  
et l'Investissement

### BENEFICIARY ORGANISATION

Vahatra S.A. (MFI) – Madagascar,  
serving 8,768 smallholder farmers

### AGRICULTURAL VALUE CHAIN

Pork, chicken, rice

### STARTING DATE

February 2026

### DURATION

15 months

### TOTAL TA BUDGET

€94,980  
Including €80,733 (85%)  
contribution from SSNUP



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