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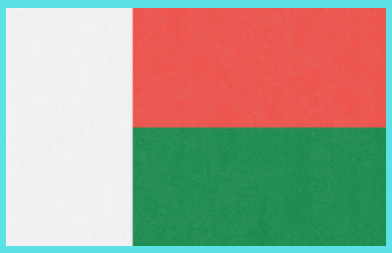

Madagascar

Country Profile

Priority Areas

2023

Blockchain and Digital Transformation in Africa.

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Note: The information presented here highlights crucial focus areas for the country, especially in the context of the emerging industries of Fintech, DeFi (Decentralized Finance), NFTs (Non-Fungible Tokens), and cryptocurrencies. The information presented sheds light on several developments and pioneering enterprises that are fueling the country's digital progress in the blockchain domain. However, it is important to note that this is not an exhaustive list; rather, it provides a glimpse into the country's direction and ability to achieve key milestones in the blockchain sector.

Fintech

Digital Wallets	**Wari:** Benin's **MVola**: This Airtel's digital wallet is popular in Madagascar. It allows users to save, send, receive, and top up mobile phones with money. MVola is available via mobile app or USSD codes. **Orange Money: Another** popular digital wallet in Madagascar is Orange Madagascar's Orange Money. It enables mobile users to store funds, make payments, transfer money, pay bills, and more. Orange Money is accessible via mobile app, USSD codes, or Orange Money agents. **Telma e-paiement:** Another major Madagascar telecommunications operator, Telma, offers a digital wallet. It allows users save, send, receive, pay bills, and top up mobile credit. Telma e-paiement is available via mobile app or USSD codes. **Mvola Mahavita:** Mvola, a Bank of Africa Madagascar affiliate, offers a digital wallet service. It stores monies, transfers money, pays bills, and recharges mobile credit. USSD codes or a mobile app allow users access to Mvola Mahavita.
Microfinance	**Airtel Money:** Madagascar's largest telecom operator, Airtel, offers a mobile money platform. Mobile users can send and receive money, pay bills, and access other financial services. Airtel Money partners with microfinance institutions to offer digital loans, savings, and insurance to people and small companies, especially in rural areas with inadequate banking access. **Jirogasy:** This Madagascar-based digital microfinance platform lends to smallholder farmers. Mobile and web-based technologies expedite loan applications, disburse funds digitally, and collect repayments. Jirogasy uses satellite imagery and crop yield projections to assess creditworthiness and provide farmers customised finance products to increase agricultural productivity and livelihoods. **Madagascar's Premiere Agence de Microfinance (PAMF-Madagascar): It** is an Aga Khan Agency for Microfinance (AKAM-founded) microfinance institution. By offering customized financial solutions, it reduces poverty and promotes financial inclusion. PAMF helps small traders, artisans, and rice farmers in rural and urban regions. The institute also develops tools including the Progress Out of Poverty (PPI) scorecard with the Grameen Foundation. AKAM started mobile banking in 2016 after transferring

	majority control to AKFED[1]. **ACEP Madagascar:** It is a 2009 microfinance institution that serves Madagascar's micro- and SMEs. It targets insolvent populations. ACEP Madagascar dominates microfinance in Madagascar with 6 regional branches and 42 agencies. Thus, the microfinance player has strived to create many jobs and raise people's earnings. As a result, ACEP has provided loans to many urban and suburban Madagascar entrepreneurs since its founding[2]. **CECAM (Caisses d'Epargne et de Crédit Agricole Mutuels):** It is a foremost microfinance organization in rural Madagascar. It provides a large part of rural loans and uses information technology to adapt and scale. CECAM serves many islanders using its counters in 16 various zones. CECAM offers savings, credits, and other financial services. It also offers savings plans, long-term and sight payments, real estate financing, productive and cooperative credit, public granaries, operational support, rent sale mutualist, monetary education, and financing with education[3].
Mobile Money	**Orange Money:** Madagascar's largest telecoms company, Orange, offers Orange Money, a popular mobile money platform. It supports mobile money transfers, bill payments, airtime top-ups, and merchant payments. Users can readily obtain Orange Money through its nationwide agent network. **MVola:** Madagascar's Telma developed MVola, a mobile money service. It enables mobile users to send and receive money, pay bills, buy airtime, and more. It now offers savings accounts, microloans, and insurance, completing its financial services. **Airtel Money:** Airtel offers mobile money in Madagascar. Mobile users can send and receive money, pay bills, buy airtime, and access other financial services. Users may easily access their funds and make transactions via Airtel Money's network of agents and partner institutions. **Mvola Tsimiroro**: Bank of Africa Madagascar and Telma provide this mobile money service. It allows mobile money transfers, bill payments, and account administration. Mvola Tsimiroro intends to bank Madagascar's unbanked. ,

[1] The Aga Khan Development Network (AKDN) , "Madagascar - Microfinance - AKDN," the.akdn, 2018, .
[2] Investisseurs & Partenaires (I&P), "Acep Madagascar," IETP, 2020, .
[3] Jean-Hervé Fraslin, "Case Study Paving the Way Forward for Rural Finance an International Conference on Best Practices Agricultural Lending Practices: Methodologies and Programs CECAM: A Cooperative Agricultural Financial Institution Providing Credit Adapted to Farmers' Demand in Madagascar CECAM Caisses d'Epargne et de Crédit Agricole Mutuels," 2019.

E-Commerce	**Jumia Madagascar:** Jumia is a popular e-commerce site in various African nations, including Madagascar. It offers an online marketplace for buying and selling goods. Mobile money and credit payments are secure on Jumia. **Madagascar Market:** It is an online marketplace that enables sellers to display products and accept payments securely and easily. For example, Madagascar-based MadaMarket Export sells and wholesales vanilla beans. They specialize in high-quality agricultural products, particularly vanilla beans. The company negotiates reasonable rates and organic certification with small farmers. It also distributes vanilla beans, cloves, black pepper, and pink peppercorn. MadaMarket Export updates customers on Madagascar vanilla market developments. In this regard, it offers a retail program for people interested in developing their own sustainable premium vanilla bean brand.
Financial Literacy	**Mobile Network Operators (MNOs):** Telma, Orange, and Airtel have promoted financial inclusion in Madagascar through their mobile money services. These services allow mobile payments and money transfers. These projects provide financial services but also offer financial literacy education. **Microfinance Institutions (MFIs):** CECAM provide financial services to underprivileged people. MFIs also offer financial literacy training. These programs teach clients about budgeting, savings, and appropriate borrowing to help them make financial decisions. **Madagascar's Blockchain Academy**: It teaches blockchain. Blockchain Academy Madagascar promotes blockchain technology through courses, workshops, and events. It encourages financial literacy by educating people about blockchain technologies and their potential impact on numerous industries, including finance.

DeFi

Education and Awareness Campaigns About Defi and its Potential Benefits	**Unichrone:** It provides an interactive Blockchain Training Course in Madagascar for IT professional and blockchain technology enthusiasts. The course teaches blockchain principles, including Bitcoin and Ethereum. Participants learn blockchain basics and industry applications from professional trainers, case studies, and practical demonstrations. Participants learn blockchain applications and coding through hands-on projects. Unichrone trains and certifies across Madagascar. The primary features include two-day immersive online/group instruction, study materials by subject matter experts, practice examinations for preparation, highly certified trainers, course completion certification, and end-to-end assistance. The international-standard course offers scheduling flexibility and corporate group training. Professionals who pass the certification exam are likely to boost their earnings, job prospects, credibility, and blockchain technology skills.
Development of Blockchain Infrastructure and Technology	**Aveda:** It is an Estée Lauder Company subsidiary, uses blockchain to track its vanilla bean supply chain. Aveda launched a blockchain test project with Wholechain in February 2019[4]. Madagascar's vanilla bean producers received digital identity cards with traceability codes. Thus, farmers register sales at local cooperatives using QR codes, which is securely recorded on the blockchain for traceability and authenticity. Madagascar, the world's largest vanilla producer, faces corruption, violence, and deforestation. Aveda allows users to monitor the vanilla bean online for transparency. The company is considering increasing product traceability beyond vanilla. **Samsung America** is monitoring a Madagascar reforestation project with blockchain company **Veritree.** The effort seeks to plant trees and fight climate change. Samsung is addressing climate change due to rising demand for sustainable practices. However, measuring carbon offsetting programs can be difficult and prone to greenwashing. Blockchain technology makes project development and impact transparent. Veritree will handle planting sites, trees, and field data. This alliance gives eco-conscious corporations like Samsung reliable and verifiable replanting statistics. Blockchain is being used to track carbon credits and CO2 capture in

[4] Estée Lauder Companies, "ELC and Aveda Pilot Blockchain Tech in Madagascan Vanilla Supply Chain," www.elcompanies.com, 2019.

	numerous businesses, demonstrating its environmental potential[5].
Integration of Tech into Traditional Financial Systems	**The GSMA** launched a Madagascar-wide interoperable mobile money service. Airtel Money, mVola, and Orange Money are working together to enable cross-network transactions. Thus, Madagascar becomes Africa's second mobile money interoperable market after Tanzania. Mobile banking will empower underprivileged populations and boost financial inclusion[6]. The GSMA's Mobile Money program promotes interoperability and digital financial inclusion by helping operators and partners build a strong mobile money ecosystem. This plan aims to replace cash transactions and boost the economy.
Collaboration With Regulators to Establish Clear Legal Frameworks and Guidelines for Defi Operation	According to Cointobuy's rankings, Madagascar's lack of digital currency rules and low cryptocurrency safety ratings hurt the DeFi business[7]. DeFi initiatives and investors in Madagascar face uncertainty without defined laws. It also slow DeFi platform expansion and decentralize financial services in the country. Madagascar people cannot participate in crowdfunding or early-stage crypto projects due to ICO bans. Thus, Madagascar's cryptocurrency safety ranking and regulatory climate may hinder DeFi sector growth.
Support for DeFi Startups and Entrepreneurs Through Funding and Incubation Programs	Sayna, a Madagascar-based IT outsourcing, and digital training firm was formed in 2018. The organization seeks to alleviate Africa's digital skills gap and meet companies' digital transformation demands. Sayna provides microtasking and online training for freelance developers working on remote IT projects. I&P Acceleration Technologies, a French Development Agency-funded program, is helping Sayna develop its microtasking platform. The company aims to train 200 students by 2021 and help thousands into the digital economy[8]. Sayna also wants to meet the IT needs of many SMEs and startups and expand across West Africa with more finance

[5] Ornella Hernández, "Samsung Uses Blockchain Technology to Address Climate Change," Cointelegraph, January 3, 2022.
[6] GSMA, "GSMA Announces Launch of National Interoperable Mobile Money Service across Madagascar," Newsroom, September 12, 2016.
[7] Freeman Law, "Madagascar and Cryptocurrency," Freeman Law, 2021.
[8] Kehinde Giwa, "Madagascar-Based Sayna Secures $638,000 for Global Expansion," News Central TV | Latest Breaking News Across Africa, Daily News in Nigeria, South Africa, Ghana, Kenya and Egypt Today., April 27, 2022.

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