Strengthening African Rural Smallholders

BURKINA FASO, ETHIOPIA, RWANDA AND SENEGAL
According to the Food and Agriculture Organization of the United Nations, a quarter of the world’s hungry people live in sub-Saharan Africa and 75% of people from that region are farmers. However, there are a wealth of opportunities for agricultural growth, innovations and varied cultivation if certain roadblocks such as access to finance are removed. Supporting small-scale farmers is thus critical to reducing hunger and poverty in Africa. It is essential to address the challenges that smallholder farmers face such as lack of credit, and low access to markets that prevent small-scale farmers from improving their economic situation.

**STARS program**

To increase financial inclusion for small-scale farmers, ICCO Cooperation and ICCO Terrafina Microfinance, in partnership with Mastercard Foundation initiated the Strengthening African Rural Smallholders (STARS) program in 2016. The 5 years STARS program aims to transform the lives of 210,000 farmers, 50% of whom are women, in rural Burkina Faso, Ethiopia, Rwanda and Senegal by facilitating access to financial markets and agricultural services. STARS believes that given the right opportunities, tools, and support, smallholder farmers can become entrepreneurs, access the financial services they need, improve their economic situation and become an important driver of their country’s economy.

The program plans to have an overall impact in the lives of more than 1 million people.

The STARS program has three core activities:

1. **ACCESS TO FINANCE THROUGH MICROFINANCE INSTITUTIONS**
   The STARS program is partnering with 19 Microfinance Institutions (MFIs) to develop and implement innovative tailor-made financial products for rural farmers. With innovative risk-mitigating tools, MFIs can provide the necessary cash to farmers so they can improve and increase their production.

2. **VALUE CHAIN DEVELOPMENT**
   Through the market for the poor approach (M4P), we are working to improve smallholder farmers agricultural skills and their position in the value chain. 8 value chains were selected: shea and sesame for Burkina Faso, potato and malt barley for Ethiopia, maize and rice for Rwanda, onions and black eyed peas (niembe) for Senegal. STARS is also supporting horticulture in value chain finance.

3. **MONITORING, EVALUATION AND LEARNING**
   STARS is applying different learning tools to broaden the evidence base in rural agriculture finance and value chain development, and share the lessons learned.
Conducted gender sensitive value chain analyses and validation with stakeholders from the public and private sector in the 4 implementing countries.

Development of results chains for the 8 value chains.

Trainings of different stakeholders on the making markets work for the Poor (M4P) Approach.

Selection of producers’ organizations and assessment using SCOPEinsight assessment methodologies.

Conducted value chain finance analyses and microscore for the 19 MFI’s we are working with. Microscore is a tool to assess MFIs’ capacity in 4 performance areas: governance, institutional services, social performance and financial performance management.

Capacity development plans developed for 60 producer organisations.

Agri-group loans and agri-individual loans financial products were developed in partnership with MFIs. The pilot phase is ongoing in all the countries.

Baseline studies were conducted in all the 4 countries.

Achievements after one year
Selected value chains and number of beneficiaries in STARS implementing countries

**TOTAL 210,000**

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