

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

<b>Product Up-scaling Support</b>	<b>FEW-12: Support to the roll-out of the Hemaya/CareGiver microinsurance at Lead Foundation</b>
<b>Country / Region</b>	Egypt
<b>Partner Financial Institution/s</b>	LEAD Foundation <a href="http://www.lead.org.eg/">http://www.lead.org.eg/</a>
<b>Technical Assistance Provider</b>	Juan Vega Gonzales, financial education consultant
<b>Overall Budget</b>	CHF 71,197 (25% self-contribution)
<b>SCBF Contribution</b>	CHF 53,197
<b>Date of Approval</b>	27.07.2017
<b>Duration</b>	09.2017 until 01.2019, extended to 8.2019
<b>Context</b>	<p>Egypt has one of the lowest levels of financial inclusion in the MENA region with only 14% of adults with access to a formal bank account, 4% to formal savings, and 6% to formal borrowings. In 2014, Egypt issued its first law regulating microfinance services offered by companies and non-governmental organisations (NGOs), which fall under the authority of the non-bank financial regulator, the Egyptian Financial Supervisory Authority (EFSA). The law does not allow microfinance institutions to mobilize deposits. As of July 2017, 770 licensed NGOs and 3 companies operate in Egypt's 27 governorates serving 1.8 million clients (70.3% of which are women) nation-wide and a portfolio of CHF 302 million (52.4% of which are for women). In 2016, EFSA also issued its first microinsurance directives that define microinsurance and provides for the electronic issuance and distribution of microinsurance. It is worth noting that financial literacy is extremely limited in Egypt and is not included in any formal or non-formal curricula in the education system. Given the extremely limited financial literacy, the present Financial Education (FE) campaign is of utmost importance to promote general financial literacy, and more specifically insurance literacy, and is great from a consumer protection point of view. The use of videos and possible digital distribution of the campaign is the first of its kind in Egypt.</p>
<b>Current Status of the MFI</b>	<p>LEAD is the 2<sup>nd</sup> largest MFI operating in Egypt, founded in 2003 as an NGO. It has 18 branches with an outreach of more than 175K clients (90% women and 49% rural clients), and a portfolio of USD 17 mil. and PAR of 1.65% as at Dec. 2016. Lead's clients are poor and low-income entrepreneurs, the majority of whom are women living in underserved areas of five governorates. Lead's target clients have very limited literacy (many can hardly read or write) and numeracy.</p> <p>Lead introduced compulsory microinsurance services and plans to train the clients on financial literacy and microinsurance for them to better manage their money/debts/savings, and to better understand the benefits and claiming process of the microinsurance services.</p>
<b>Objective and Main Activities</b>	<p>The main objective of this project is to design, implement, and monitor a Financial Education (FE) Campaign for Lead Foundation's clients and staff members in a sustainable manner. The FE Campaign accompanies the up-scaling of the Hemaya, a credit life and an inpatient hospital health microinsurance product, which Lead has rolled out in all of its 18 branches since September 2016.</p> <p>The direct target group of the FE Campaign is Lead's clients, 80% of whom are low-income entrepreneurs and female-heads of households. Lead's loan officers and other staff members will also benefit from the FE Campaign. 10 video cartoons and 10 eLearning modules will be developed together with a follow-up and data reporting system.</p> <p>Upon project completion, Lead should be able to deliver the FE to reach more than 10,000 clients of its 18 branches. Additionally, at least 50 staff members and loan officers will be trained (training of trainers). Staff trained at the head office will evaluate the effects of financial education and measure the cost benefit of the FE campaign.</p>