

2022-07 | Scaling of digital micro-pensions and delivery of a retirement planning awareness programme for informal sector workers in Kenya

Partner Financial Institution:	Mbao Pension Plan	SCBF Contribution:	CHF 95'900 (75%)
Grantee:	Val Partners Limited	Matching Contribution:	CHF 31'915 (25%)
Country:	Kenya	Theme:	Financial resilience
Duration:	May 2022 – June 2023	Product:	Micro-pension
Potential Outreach:	15,000	Target Group:	Low-income clients
Thereof Women:	9,750 (65%)		

CONTEXT

In Kenya, as of 2019, only 20.5% of the labour force had pension coverage (including formal, informal and government-led plans). While the informal sector consists of 83% of the working population, the pension coverage is very low at only 1.3%. There is an enormous opportunity to deepen the reach of pension plans for those working in the informal sector.

The solution envisioned in this project aims to teach individuals in the informal sector about the importance of saving for retirement. Mbao Pension intends to not only positively impact millions of low-income individuals in Kenya, but also to persuade every country with a growing share of the population employed by the informal sector to expand social protection for this vulnerable group through voluntary pension for a dignified retirement. The SCBF grant will assist in the growth of Mbao Pension, thereby establishing successful case studies from which other schemes worldwide can also learn.

CURRENT STATUS OF THE MFI

Mbao Pension is a private pension plan launched in Kenya to tackle the lack of social safety nets for vulnerable informal sector workers, micro-, small- and medium-sized enterprise (MSME) workers, and the self-employed Kenyan residents. It offers flexible, digital, simple, voluntary contributions of any amount, at any time, using mobile money transfers. Mbao Pension's mission is to ensure financial equality and inclusion for everyone.

OBJECTIVES AND MAIN ACTIVITIES

The purpose of this project is to increase retirement planning awareness and inclusion in order to close the social protection gap, using the long-term savings platform developed by Mbao Pension targeting the majority vulnerable low-income informal workers who have previously been excluded. Upon project completion, the financial institution should be in a position to improve retirement planning among targeted informal workers with the potential of reaching 15,000 new savers through the Mbao Pension platform.

Partnering with:

