

## 2022-13 | Caregiver solution with Baobab

Financial sector partner (FSP)	<a href="#">Baobab Senegal SA</a>	SCBF contribution	CHF 150'000 (48%)
Grantee/TA provider	<a href="#">Women's World Banking (WWB)</a>	Matching contribution	CHF 95'038 (30%) – Baobab CHF 68'290 (22%) – 3 <sup>rd</sup> party CHF 1'110 – WWB
Country	Senegal	Theme	Financial resilience
Duration	Oct 2022 – Sep 2024	Product	Health insurance
Potential outreach	80,000	Target group	Women
Thereof women	48,000 (60% of total clients)		

### CONTEXT

Senegal, with its geographically and economically significant position in West Africa, possesses enormous potential as a financial inclusion leader in the region. The country successfully increased access to formal financial services among adults to 56% in 2021, up from 42% in 2017 and 15% in 2014 (2021 Global Findex). However, despite the strong financial inclusion gains, gaps across gender, geographic, and income groups remain. Formal savings is considered low, with only 9% of adults reporting saving with a bank or other formal financial institution compared to 16% in sub-Saharan Africa overall. This highlights the importance of additional products adapted to the financial needs and capacities of a broader set of the population. The gender gap in financial inclusion is increasing in Senegal, up from 8% in 2017 to 12% in 2021. Fifty percent of women have an account compared to 62% of men. Women and girls in Senegal face barriers in the supply of and in their demand for financial products and services, the wider enabling environment as well as in their socio-cultural context. Senegal recently released the 2022-2026 national-level financial inclusion strategy, with an objective of at least 65% of adults accessing formal financial services among by 2026. The government is committed to prioritise digital transformation as a source of growth and development, and is also expediting its efforts to enhance access to financial services, including mobile banking services.

In collaboration with Baobab Senegal, Women's World Banking will design a new health insurance product as an affordable microinsurance solution, responding to the gaps in health-financing experienced by low-income segments, especially women. The project will enable Baobab to introduce a health insurance solution to its customers and will provide them with an incentive to keep their accounts active, potentially boosting the number and value of transactions conducted by low-income women. It will also help ensure that customers continue repaying their loans in case of a health emergency. The solution could further allow Baobab to attract more women customers. Baobab Senegal will actively drive the financial education of its clients, especially women. Women's World Banking will help monitor the level of awareness gained by the clients.

### CURRENT STATUS OF THE FSP

Created in 2005, Baobab is a digital finance group focusing on financial inclusion for individuals and small businesses, with operations in eight African countries and China. Baobab Group designs and markets financial products and services including credit, savings, insurance and bank transfers. Baobab Group has a client base of 1.1M of which 45% are women and 44% of clients are between 25 and 40 years old. The Group's core business is financing micro-entrepreneurs as part of a drive to make its financial services more accessible, inclusive, and transparent. A subsidiary of the Baobab Group, Baobab Senegal is a microfinance institution with a vision to be the partner of choice for entrepreneurs and to revolutionise financial services by making them simple, fast, and accessible.

### OBJECTIVES AND MAIN ACTIVITIES

The support from SCBF will allow Baobab Senegal to pilot and scale the Caregiver solution. The pilot aims to test the product with 8,000 customers on a best effort basis in four or five branches to solidify the process, remove teething problems, and confirm actuarial assumptions. The pilot evaluation will provide both quantitative and qualitative insights on the client behaviours and effectiveness of the process. Upon project completion, Baobab Senegal should be in a position to 1) offer a women-centric health insurance solution (subject to regulatory approval) to its clients; and 2) determine jointly with Women's World Banking (based on piloting bundled and voluntary insurance options and their evaluation against pre-defined KPIs) whether the product should be offered as a bundled or a voluntary option.

#### Partnering with:

