

2022-16 | Supporting access to finance of women's groups in rural areas in Senegal through digital financial education, mobile banking and mini-Kiosks

Financial sector partner (FSP)	Baobab Senegal SA	SCBF contribution	CHF 150'000 (78%)
Grantee/TA provider	Symbiotics	Matching contribution	CHF 42'000 (22%) – FSP
Country	Senegal	Theme	Financial resilience
Duration	Nov 2022 – May 2024	Product	Financial education, savings and loans
Potential outreach	5,000 (financial education & savings), 1200 (loans)	Target group	Women
Thereof women	80%		

CONTEXT

In 2021, the Senegalese microfinance sector had [a penetration rate of 20.5%](#) and the number of clients increased by 1.3% to 3,413,260; corresponding to a financial inclusion rate of 16.8% for the Senegalese MFI sector. These statistics predominantly apply to urban areas in Senegal where most of the MFIs in the country are concentrated, in contrast to the underbanked regions such as Matam, Kolda and Tambacounda, which account for only 1.18%, 5% and 4.98% of the MFI penetration respectively. The main constraints to the development of microfinance in disadvantaged areas include: low population density and monetary income, and lack of basic infrastructure.

Baobab Senegal aspires to broaden the reach of financial services (specifically savings and loans) to rural women's groups in the Thies region through the development and deployment of an innovative digital financial education system, and to subsequently provide access to financial services to the trainees in rural areas through agents and mini-kiosks. The MFI plays a key role in strengthening the financial and social inclusion of urban and rural populations in Senegal by promoting community empowerment and enhancing customer(s) ability to exploit their potential in various sectors of the economy. The enhanced financial education programme forms a part of Baobab's credit cycle both as a requirement for access to loans and to enable Baobab to improve the financial inclusion of women in rural areas, transmit knowledge, skills and best practices in financial management, and empower women to achieve autonomy and improve their quality of life through good management of savings.

CURRENT STATUS OF THE FSP

A subsidiary of the Baobab Group (ex Microcred), Baobab Senegal is a microfinance institution created in 2007. Over a span of 14 years, Baobab Senegal has developed a wide range of financial services, which aim to satisfy the savings, credit and money management needs of different segments of the population. Baobab's legacy and primary clientele includes entrepreneurs. Over the years, the MFI has also begun to approach other target markets including project managers, farmers, employees and youth by developing increasingly diversified and specific solutions. The institution's current product offering includes: current and savings accounts, term deposits, savings plans, individual loans (SME), agricultural finance, project financing, start-up loans, group loans, and salaried loans. At the end of December 2020, Baobab's network included upwards of 60,000 active borrowers, 470 dedicated self-employed agents, and 55 branches and service points, 10 of which are located in Dakar and its suburbs, 45 in the provinces, including 9 mini-branches.

This intervention will support training and digital development efforts beyond the internal capacity of Baobab's resources, through the collaboration between Baobab and the expert team of local consultants. Technical assistance from Symbiotics will allow a gain in efficiency and expertise to achieve the project objectives vis-a-vis leveraging short-term international experts. Baobab's strategy to further develop initiatives better serving rural women highlights the institution's commitment and the strategic importance of this project.

OBJECTIVES AND MAIN ACTIVITIES

The objective of this intervention is to upscale access to finance for women's groups in rural Senegal through digital financial education and mini-kiosks. This will be achieved through three key milestones; (i) financial education developed through a training needs' analysis, development of digital training modules and deployment of the training application to clients using field staff; (ii) installation of kiosks and recruitment and training of agents in Thies Region; and (iii) opening savings accounts for women's groups and disbursing loans.

Upon project completion, the financial institution should be in a position to provide financial education and access to loans and savings using digitised training, mobile technology and kiosks to 5000 clients in rural Senegal.

Partnering with:

