

2023-02 | Development of financial products and services in water, hygiene, and sanitation (WASH), Senegal

Financial sector partner (FSP)	La Banque Agricole	SCBF contribution	113'537 (54%)
Grantee/TA provider	Aqua for All	Matching contribution	CHF 43'787 (21%) – FSP CHF 53'261 (25%) – Grantee
Country	Senegal	Theme	Financial Capability
Duration	Mar 2023 – Sep 2024	Product	Financial services for energy/water access
Potential outreach	3,000	Target group	Low-income Clients
Thereof women			

CONTEXT

21% of the Senegalese adult population have opened at least one account in a traditional financial institution or subscribed to an insurance policy as of 31st December 2020. The usage rate of electronic money is 31%, which brings the overall rate of access to financial services to 42%. The population that manages to save regularly (35%) does so mostly outside of financial institutions. As for credit, only 33% of Senegalese with accounts apply for financing from financial institutions. The objective of the SNIF (National strategy for financial inclusion), which extends over a 5-year horizon (2022-2026), is to achieve a financial inclusion rate of 65% of adults and 90% of SMEs. The SNIF primarily targets rural populations, women and youth, as well as micro, small, and medium-sized enterprises. Additionally, 1.5 million people have no access to drinking water and 7 million people have no access to adequate sanitation, especially in rural areas. The State of Senegal is therefore particularly interested in Sustainable Development Goal #6 (SDG6) on water and sanitation, which has the objective to "Ensure access to water and sanitation for all and ensure sustainable management of water resources".

CURRENT STATUS OF THE FSP

Created in 1984, under the name of Caisse Nationale de Crédit Agricole (CNCAS), the bank became La Banque Agricole (LBA) on July 15, 2019. A leading bank in the financing of agricultural development in Senegal, LBA covers the entire national territory with 40 points of service and is ranked 10th out of 26 banks listed at the end of 2020. To meet the financing needs of a rural economy exposed to climate risks, LBA, in line with its strategic orientations in terms of sustainable financing, was accredited to the Green Climate Fund (GCF) in August 2020. Very few financial institutions in Senegal have developed products and services for the water and sanitation sector. Therefore, with the development of WASH focused products through SCBF's capacity-building support, the Bank will be able to further strengthen a client segment whose needs were not being addressed.

OBJECTIVES AND MAIN ACTIVITIES

The project's overall objective is to ensure universal and equitable access to safe drinking water and improved sanitation services in Senegal by 2024 - at an affordable cost and with special attention to the needs of girls, women, and people in vulnerable situations. To achieve this, there will be an inclusive approach targeting the various actors in the water and sanitation value chains. Initially focusing on three regions - Fatick, Kaolack and Diourbel, the Bank will develop three products during this project: *a credit product to finance household latrines in partnership with referenced construction companies, a credit product to finance connections to drinking water networks in partnership with operators, and a savings plan-type product with the possibility of depositing small amounts at any time.* The bank will also develop and execute a marketing and communications plan and identify clients through the existing client base (especially agricultural cooperatives with an existing credit history), awareness campaigns, and canvassing the clients of partner companies that are seeking financing to create access to the products. By the project completion, the financial institution should be in a position to have improved the access to water and sanitation of 3,000 households through projects/services financed by WASH savings or credit products. This will reach approximately 26,100 members of groups and low-income households.

Partnering with:

