

 Early Warning System

IFC-50300

DCM BAOBAB SN Bond



## Quick Facts

Countries	Senegal
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-11-11
Borrower	Baobab Senegal
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 8.72 million
Project Cost (USD)	\$ 33.70 million



### Project Description

According to the Bank's website, the proposed project consists of an anchor investment of up to XOF5 billion (US\$8.4 million equivalent) in Baobab Senegal (BBSN)'s Sustainable Bond Issuance (XOF20 billion or about US\$33.7 million), the first from the private sector in the WAEMU. This investment will take the form of an unfunded risk participation for the African Local Currency Bond Fund Limited SICAV-RAIF (ALCBF or the Fund), a dedicated pan-African structured debt fund and an IFC client that will invest on IFC's behalf. At least 40 percent of the Bond proceeds will support women-owned/led MSMEs (WMSMEs) (the Project). Despite the unfunded participation through ALCBF, IFC will have direct recourse to BBSN in the event of a material policy breach.



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## Early Warning System Project Analysis

The project is an unfunded risk participation to a sustainable bond issued on behalf of Baobab Senegal to support micro and small enterprises (<US\$20k). The key sectors include energy efficiency, sustainable agriculture and fishing, sustainable transportation, health services and other. Based on the supported portfolio, the project has been categorized as FI-2 in accordance with IFC's Sustainability Policy. The key risks and impacts of the project derive from the subsidiaries' capacity to identify and manage potential E&S risks associated with its lending activities. These risks are typically associated with labor and working conditions, occupational health and safety, pollution prevention and atmospheric emissions, waste and wastewater management, amongst others.



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## Investment Description

- International Finance Corporation (IFC)

The investment consists of an unfunded risk participation on IFC's own account.

IFC's Investment as Approved by the Board: Guarantee 8.72 million (USD)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Baobab Senegal](#) (Financial Intermediary)



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## Private Actors Description

*Baobab* is a longstanding partner of IFC, as one of the first microfinance networks to implement the 2006 Microfinance Initiative for Sub-Saharan Africa. *Baobab Senegal* is the largest African affiliate of the group. It was licensed as a non-bank financial institution (NBFI) under the WAEMU regulation for MFIs and is supervised by the WAEMU subregion's central bank, BCEAO. Baobab Senegal started operations in September 2007 and has had early success in providing credit, savings, and remittance transfer services to micro and small businesses starting in the capital city of Dakar. Baobab Senegal has grown to be one of the leading MFIs in the country, providing an array of products through branches and agency banking. It has an important role in developing and implementing the Group's digital strategy and serves as the testing ground for all new Group products. Baobab Senegal is mainly owned by Baobab Group (89.3% stake), and the insurance group SONAM through 3 entities (10.7%).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Baobab Group	Parent Company	-



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## Contact Information

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## ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

## ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>