



Senegal

Priority Areas

Country Profile

2023

Blockchain and Digital
Transformation in Africa.

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Note: The information presented here highlights crucial focus areas for the country, especially in the context of the emerging industries of Fintech, DeFi (Decentralized Finance), NFTs (Non-Fungible Tokens), and cryptocurrencies. The information presented sheds light on several developments and pioneering enterprises that are fueling the country's digital progress in the blockchain domain. However, it is important to note that this is not an exhaustive list; rather, it provides a glimpse into the country's direction and ability to achieve key milestones in the blockchain sector.

Fintech

Financial Inclusion

Senegal's financial inclusion rate has increased from 15% in 2014 to 56% in 2021. Digital payments and the early 2022 implementation of the National Financial Inclusion Strategy (NFIS) are driving this trend. 44% of adults—particularly women, small business owners, and farmers—lack banking services.

The UNSGSA met with Senegalese officials to discuss NFIS implementation, digital economy growth, MSMEs financial services, and regional financial reforms. Senegal is concentrating on government-wide digital public goods, identity, and payment use cases to increase financial inclusion. By 2026, people should be 65% financially included and MSMEs 90%.¹ It also aims to make Dakar a fintech centre and improve the Fonds de Garantie des Investissements Prioritaires and other financing programs for SMEs. Advocating for women's digital financial inclusion at the regional level is also a priority.

The International Fund for Agricultural Development (IFAD) has formed two public-private partnerships to improve rural Senegalese access to affordable, fast, and safe remittances. The PRIME Africa initiative, in conjunction with Senegalese fintech In Touch and mobile money operator Orange Money, aims to build low-cost mobile-to-mobile remittance services in underserved rural communities, focusing on the France-Senegal corridor, a crucial remittance channel. IFAD's second agreement with MFS Africa allows direct money transfers into mobile wallets using Paysend and Afrimoney. These efforts encourage financial inclusion and digital remittance channels in Senegal, where rural communities depend on them. By 2024, the programs expect 6,000 Senegalese migrants in France to utilize low-cost digital technologies to send money back home, and 9,000 people in rural Senegal will get money through e-money user accounts, supported by a system of local agents and retailers accepting online payments from abroad, developing the rural digital payment ecosystem².

Mobile Payments

Orange Money: Orange Money is Senegal's top mobile money platform. It enables mobile money transfers, bill

¹ United Nations Secretary General's Special Advocate For Inclusive Finance For Development, "Fintech, Financial Health and MSMEs Drive Senegal's Financial Inclusion Agenda | United Nations | UNSGSA Queen Máxima," [www.unsgsa.org](https://www.unsgsa.org/country-visits/fintech-financial-health-and-msmes-drive-senegals-financial-inclusion-agenda#:~:text=Fintech%2C%20Financial%20Health%20and%20MSMEs%20Drive%20Senegal), July 5, 2022, <https://www.unsgsa.org/country-visits/fintech-financial-health-and-msmes-drive-senegals-financial-inclusion-agenda#:~:text=Fintech%2C%20Financial%20Health%20and%20MSMEs%20Drive%20Senegal>.

² IFAD, "Senegal: IFAD Partners with Private Sector to Unleash Financial Inclusion in Rural Areas," IFAD, 2023, https://www.ifad.org/en/web/latest/-/senegal-ifad-partners-with-private-sector-to-unleash-financial-inclusion-in-rural-areas?p_1_back_url=%2Fen%2Fweb%2Flatest%2Fgallery.

payments, and airtime top-ups.

In Touch: Senegalese fintech pioneer In Touch provides payment solutions. It provides digital payment services, including remittances, to underserved Senegalese communities in different countries.

Wari: Senegal's Wari financial services platform offers mobile payment solutions to individuals and companies. The Wari app and agents allow users to send and receive money, pay bills, and access other financial services.

Wave: Senegalese users can use Wave to transmit money, pay bills, and shop on their phones. The platform offers simple and affordable services.

CoinAfrique: A Senegalese financial platform, CoinAfrique allows online shopping and selling using its mobile app. Users can conduct transactions using digital payment options.

NSIA Banque Senegal: It is a digital bank that offers savings and company accounts, debit cards for offline and online purchases, billing and money transfers, and consumer, enterprise, and real estate loans.

PayDunya: It is a pioneering African FinTech, operates in Senegal. The organization uses digital payment systems to grow African businesses and institutions. PayDunya's applications enable consumers to receive payments online or remotely using electronic wallets securely and efficiently like MTN, Wave, Orange Money, Moov, Free, and Visa and Mastercard.

UPAY's multi-channel payment solution allows customers to receive money from numerous sources and direct it to their wallet, credit card, or cash withdrawal. The platform also allows bill payments, card recharges, in-store or online purchases, and cash transfers between accounts through multiple operators. UPay also offers UPay Online, a digital payment interface for businesses with sales websites and companies wanting frictionless online transactions, regardless of transaction quantity.

Remittances

Swiss startup Centi and global digital currency wallet Centbee are leveraging blockchain technology to transform Swiss African remittances. The cooperation intends to improve cross-border money transfers. The partnership aims to help African families and communities by using Centi's cash on-ramp and Centbee's off-ramps. Preliminary testing suggests the service might be 85% cheaper than the market leader, giving recipients up to 30% more cash-in-hand³. Through this agreement, both organizations aspire to disrupt and change the remittance

³ Connecting Africa, "Fintechs Centi, Centbee to Launch Blockchain-Based Remittances for Africa," Connecting Africa, June 1, 2023, https://www.connectingafrica.com/document.asp?doc_id=785144.

	<p>landscape by making banking services easier and more affordable for underbanked areas.</p>
<p>Digital Identity</p>	<p>In collaboration with the United Nations Development Program (UNDP), Senegal has initiated a national digital identification project. The initiative intends to provide secure and inclusive access to state and private services for citizens. Senegal's Digital Strategy 2025 aims to make digital technology the key economic driver by 2025. By 2024, the digital ID scheme will cost XAF 3.2 billion (US\$5.2 million)⁴. The program will modernize public administration and promote data sharing across governmental entities.</p>
<p>SME Financing</p>	<p>Since 2013, Dakar-based Sun Telecom has digitalized business processes and developed applications for Senegalese banks, insurers, and telecoms. The company established an export business plan and acquired National Agency for the Development and Support of SMEs in Senegal (ADEPME) financing to grow its Assurtech business to Morocco, Côte d'Ivoire, and France with NTF V Senegal mentoring. The program helped Sun Telecom finance marketing campaigns, attend trade exhibitions, and hire foreign expansion experts. Sun Telecom, already in Côte d'Ivoire and Morocco, is considering entering the French market and increasing sales by 300 million CFA francs (\$500,000) by year's end⁵. The NTF V initiative helps African digital technology and agricultural SMEs compete internationally and export.</p>

⁴ Ayang Macdonald, "National Digital ID to Be Launched by Senegal, Legislative Foundation Proposed for Finland | Biometric Update," [www.biometricupdate.com](https://www.biometricupdate.com/202206/national-digital-id-to-be-launched-by-senegal-legislative-foundation-proposed-for-finland), June 27, 2022, <https://www.biometricupdate.com/202206/national-digital-id-to-be-launched-by-senegal-legislative-foundation-proposed-for-finland>.

⁵ International Trade Center, "Senegal's Sun Telecom Seeks International Success with Fintech | ITC," [intracen.org](https://intracen.org/news-and-events/news/senegals-sun-telecom-seeks-international-success-with-fintech), 2023, <https://intracen.org/news-and-events/news/senegals-sun-telecom-seeks-international-success-with-fintech>.

DeFi

Regulatory Framework and Development

Young, digital natives and discontent with the CFA currency's imperial background are driving Bitcoin growth in Dakar, Senegal. Mobile money is popular, but Bitcoin gives financial sovereignty. Dakar Bitcoin Days and Lightning Network demonstrate Bitcoin adoption's momentum⁶. Hence, Bitcoin adoption in Senegal will affect the DeFi (Decentralized Finance) industry. As more individuals become familiar with digital currencies like Bitcoin, they WILL investigate alternative decentralized financial services and products offered by DeFi platforms. This phenoemon will raise demand for DeFi solutions like decentralized lending, borrowing, and savings protocols, allowing DeFi projects to expand and meet Senegalese needs. DeFi's decentralization and potential for financial sovereignty should connect with the country's financial empowerment and independence from established banking institutions. DeFi platforms must handle user education, accessibility, and regulatory compliance to properly tap into Senegal's expanding market. Notably, Senegal needs a DeFi regulatory framework to safeguard investors, reduce risks, and promote responsible growth in the decentralized finance sector.

Financial Inclusion and Accessibility

Oxfam and La Lumière's INEDIT project in Senegal promotes rural digital and financial inclusion. The project trains, equips, and provides financial services to approximately 13,000 people, including 9,000 women, to use mobile financial services for their economic activities. It supports 600 savings organizations, 475 of which are women's, and 16 rural economic interest groups⁷. The project also engages politicians in rural financial solutions for women and youth.

The "Senegal Digital Market Oriented initiative for women Smallholder Farmers Economic Empowerment and Financial Inclusion" (SDMo4SFI) seeks to boost rural Senegal's economy and enhance the lives of Casamance women⁸. Digital access to marketplace data and alternative financial services empowers women, boosts agricultural output, and improves financial inclusion. Small-scale farmers, especially

⁶ Joe Hall, "Why Senegal Rejects the CFA and Is Warming to Bitcoin: Video," Cointelegraph (Cointelegraph, March 8, 2023), <https://cointelegraph.com/news/why-senegal-rejects-the-cfa-and-is-warming-to-bitcoin-video>.

⁷ Agence Française de Développement (AFD) , "INEDIT Project: Digital Inclusion, Digital Savings and Technological Innovations," [www.afd.fr](https://www.afd.fr/en/carte-des-projets/inedit-project-digital-inclusion-digital-savings-and-technological-innovations), 2018, <https://www.afd.fr/en/carte-des-projets/inedit-project-digital-inclusion-digital-savings-and-technological-innovations>.

⁸ African Development Bank, "Senegal - Digital Market-Oriented Initiative for Women Smallholder Farmers Economic Empowerment and Financial Inclusion SDMo4SFI -Technical Assistance Request," African Development Bank Group - Making a Difference, August 12, 2022, <https://www.afdb.org/en/documents/senegal-digital-market-oriented-initiative-women-smallholder-farmers-economic-empowerment-and-financial-inclusion-sdmo4sfi-technical-assistance-request>.

	<p>women-led cooperatives, will benefit. The project supports the government's financial sector, agricultural, and women's empowerment goals, as well as the Bank's Private Sector Strategy and High-5 priorities. Digital financial services, rural poverty reduction, and job development are expected outcomes. The initiative supports digital financial services, access to markets, and project oversight. Thus, the SDMo4SFI supports national and international development agendas.</p>
<p>Digital Asset Management and Lending</p>	<p>Baobab+, an MFI subsidiary of Baobab Senegal, teamed with the MFI to provide PAYGo solar financing to rural Senegal. Mobile loan repayments and data-driven approvals enabled users to obtain micro-loans and other financial products, fostering financial integration and job creation in underserved communities. The PAYGo firm and MFI partnership shows innovative methods to reach more people with meaningful products, helping customers to obtain capital and better their livelihoods⁹. The organisation managed a portfolio of PAYGo-financed solar home systems for rural customers. The institution would track, maintain, and optimize these assets to maximize returns and effect. Thus, Baobab+ in Senegal uses digital asset management and PAYGo solar financing to reach underserved populations with clean energy solutions and affordable financing, empowering customers to access micro-loans and other financial services.</p>
<p>Cross-Border Remittances and Payments</p>	<p>BitPesa: Senegal residents and businesses can use BitPesa's blockchain-based remittance network to send and receive money globally at lower fees and faster speeds. Blockchain technology streamlines cross-border payments.</p>
<p>Decentralized Insurance Solutions</p>	<p>CNAAS, the Senegal National Agricultural Insurance Company, offers cereal farmers conventional ("multi-risk") and index-based agricultural insurance¹⁰. Conventional insurance insures irrigated rice value chains for bird attacks, storms, and unseasonal rains. Rainfed production insurance employs rainfall and evapotranspiration indicators. Agricultural insurance's success is due to self-financing, supplier network partners, restricted credit risk coverage, and banks. The program succeeds due to index adaptability and ground-satellite measurement system complementarity. However, Senegalese farmers and producers can form risk-sharing cooperatives for agricultural insurance. Each member pays a premium or shares their produce earnings. The pool compensates members who lose crops due to weather, pests, or other covered hazards. The cooperative shares risk, making it</p>

⁹ CGAP, "PAYGo Solar Opens Pathways to Microfinance in Rural Senegal | Blog | CGAP," [www.cgap.org](https://www.cgap.org/blog/paygo-solar-opens-pathways-to-microfinance-in-rural-senegal), May 2, 2019, <https://www.cgap.org/blog/paygo-solar-opens-pathways-to-microfinance-in-rural-senegal>.

¹⁰ Nataal Mbay, "AGRICULTURAL INSURANCE," 2019, https://agrilinks.org/sites/default/files/media/file/AGRICULTURAL_INSURANCE.pdf.

easier for farmers to handle unexpected losses.

Cryptocurrency

Blockchain Technology Adoption

eCFA: Senegal collaborated with Banque Regionale de Marches (BRM) and eCurrency Mint Limited to launch eCFA, a digital currency based on its national currency. The digital currency provided trustworthy and affordable financial venues for underbanked Africans. BRM bank felt eCFA would enable regional financial system interoperability despite expert criticism of its centralization¹¹. At the time, technical specifications and whether it would use a permissioned or decentralized blockchain network were unknown.

Koolute Investments and SenBlock, a Senegalese non-profit, are promoting blockchain education and adoption. The alliance aims to educate and legislate to support Africa's rapid blockchain and cryptocurrency adoption. SenBlock, Senegal's most active crypto community, educates people on blockchain technology, web3, and associated applications. Koolute and SenBlock's long-term relationship intends to empower regional skills, teach the real estate value chain, and promote blockchain use across Senegal.¹²

Cryptocurrency Regulation

As the CFA struggles, francophone Senegal is turning to Bitcoin. More merchants and customers are joining the Lightning network and learning about Bitcoin. Due of its speed and efficiency, Bitcoin's Lightning Network is becoming popular in Senegal. The CFA franc, utilized across 14 African countries, is being attacked for its Western ties and historical devaluations that affect the population. Thus, Senegal is considering Bitcoin as a CFA replacement¹³.

Macky Sall, Senegal's president, met with Felix Ulloa, El Salvador's vice president, to discuss bitcoin policy. Sall lauded El Salvador's adoption of bitcoin as legal tender and its debt-free economy. Akon intends to establish a cryptocurrency-based metropolis in Senegal, which is recognized for its crypto-friendliness. Despite expansion, there have been calls for tougher laws to address consumer protection and money laundering¹⁴.

¹¹ Joseph Young, "Senegal Introduces Cryptocurrency Based on Its National Currency," Cointelegraph, November 27, 2016, <https://cointelegraph.com/news/senegal-introduces-cryptocurrency-based-on-its-national-currency>.

¹² Koolute Investments, "Koolute Partners with SenBlock to Drive Blockchain Education and Adoption in Senegal," Medium, November 29, 2022, <https://kooluteinvestments.medium.com/koolute-partners-with-senblock-to-drive-blockchain-education-and-adoption-in-senegal-1752ddef8c3a>.

¹³ Adeniyi Odukoya, "Senegal Embraces Bitcoin as an Alternative to Devaluing CFA," TechNext, March 9, 2023, <https://technext24.com/2023/03/09/senegal-embraces-bitcoin-as/>.

¹⁴ Binance, "CryptoNews on Binance Feed: President of Senegal Likes El Salvador Bitcoin Policy," Binance Feed, 2023, <https://www.binance.com/en/feed/post/208474>.

Financial Inclusion

Akoin is a cryptocurrency initiative founded by Akon, a Senegalese-born American singer. The initiative will build a Senegalese "Crypto city" that trades only in Akoin to establish a cryptocurrency ecosystem in Africa. The project will empower and financially include African unbanked people.

Fodé Diop: Senegalese Bitcoin Lightning developer Fodé Diop promotes and advocates for Bitcoin and Lightning Network use. He helps the crypto community comprehend and adopt cryptocurrency.

SenBlock: Mouhammad Dieng and Daouda Niang started this non-profit. Its goal is to educate Senegalese about blockchain technology, cryptocurrencies, and NFTs' financial benefits. SenBlock, a Senegalese crypto community, promotes blockchain and cryptocurrency.

Investor Protection

Akon, the artist and Akoin founder, believes cryptocurrencies can create a new Africa by bringing transparency and opportunity. With a young and increasing population, many Africans lack integration into the global banking system, making it important to open doors to their financial destiny. Crypto empowers people via transparency and trust. Africa's leapfrog population, which has adopted mobile phones and mobile payments, is full of entrepreneurs who can benefit from cryptocurrency's decentralization and borderlessness. Akon thinks Africa can lead the digital currency and blockchain revolution and create a utopia where transparency, people, and ideas matter¹⁵. Thus, cryptocurrency adoption in Africa requires investor protection from dangers, scams, and fraud. There is a need for rules and processes to avoid abuse and promote fair practices in the crypto field due to the increased interest in blockchain and bitcoin technology. Appropriate investor protection measures will create confidence and trust, allowing the crypto business to flourish responsibly while protecting regional investors.

Cybersecurity Measures

The Emerging Senegal Plan (Plan Senegal Emergent) addresses development issues and promotes economic and social growth in Senegal. "Senegal numérique 2025" (SN2025) seeks to make Senegal a digital society. The SN2025 plan is founded on legislative and institutional structures, human resources, and cyber confidence. To secure cyberspace, digital confidence protects infrastructure, computer networks, and users. Senegal's "National Cybersecurity Strategy 2022" (SNC2022) aims to bolster the legal framework, protect vital data infrastructure, promote an information security culture,

¹⁵ Akon, "Akon: Why Crypto Could Transform Africa's Future," Fortune, 2021, <https://fortune.com/2021/04/14/akon-city-senegal-africa-akoin-cryptocurrency/>.

enhance security resources, and participate in regional and international cybersecurity work¹⁶. The government will build a national cybersecurity organization to advance cybersecurity initiatives and stakeholder participation to ensure safe and robust cyberspace for all. The strategy supports Senegal's 2022 goal of a confident, secure, and robust cyberspace.

¹⁶ The Republic of Senegal, "SENEGALESE NATIONAL CYBERSECURITY STRATEGY (SNC2022)," 2017, https://www.itu.int/en/ITU-D/Cybersecurity/Documents/National_Strategies_Repository/SNC2022-Senegal-NCS-Jan-2018_eng.pdf.

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