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POLICY TRACKER

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Editor's Note

Financial Inclusion Would Have Aided Covid-19 Palliative Distribution, Minimized Socioeconomic Disruption and Community Infection

A defining aspect of Nigeria's Covid-19 national response strategy is the 'lock down' – a mass self-quarantine to minimize community transmission arising from daily social interaction. That is quite challenging with about 87 million poor (about 40% of the population), 24% unemployment and a largely informal economy. The majority of Nigerians depend on daily income to feed. Not surprisingly, the news and social media carried daily reports about demonstrations, near riots and willful non-compliance with lock down directives.

The distribution of palliatives was hampered by the lack of comprehensive identity data of those who required it and their location. Many individuals, charitable, corporate and religious organizations rose up to the challenge with complementary food distribution programs. However, distribution events were often besieged by jostling crowds who threw precautions of physical distancing to the wind and sometimes hijacked the food items.

By the end of April it became clear that community transmission was on the increase. It is reasonable to infer that a more stringent, extended or effective lock down would have been feasible if a comprehensive system of identification existed and all Nigerians had a transaction account to which cash injection could readily be transferred. It might not have been immediately feasible for Governments to bear the burden alone. However, organizing a more effective public-private initiative would have been a more viable initiative had the necessary foundation of national universal identification been achieved. The General Manager, Operations at NIMC, Mr. Abdulhamid Umar is, therefore, correct that Covid-19 delivered a litmus test to the current national identity management system. Did it pass that test?

We can and should urgently do better by thinking out of the box and finding a way to register every Nigerian NOW! A near option is the Payment Service Banks. They should at least be able to extend quasi-transaction



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accounts through sim card registration. The Central Bank may need to shorten the time and processes for issuing their final licenses. Banking agents can also assist with the opening of transaction accounts, and roll-out of agents must be more urgent and effective.

One piece of good news is that the Nigerian Governors Forum has given the go-ahead and right of way (RoW) consent to enable the Telcos install fibre optic cable and other infrastructure across the country. Thus, Telcos will require extra funds, since digitalization has now become an imperative for every business and individual. However, regulatory support and measures to accelerate infrastructure expansion and an enabling environment for digital financial services (DFS) need a fillip, speedier policy tweaks and deft regulatory implementation.

Implementing 80% financial inclusion this year is now an imperative! How? The financial inclusion ecosystem should urgently convoke conversations and adopt a war time footing to work out how to make this possible.

Global Identity Management/Know-Your Customer

SEC tightens Capital market identity management



The Securities and Exchange Commission, (SEC) has developed a standardized Investor's Data and Consent Form to be adopted by all capital market operators (CMO's) in collecting and updating investors' data and to obtain their consent for implementing capital market initiatives¹. Acting DG of the SEC, Mary Uduk disclosed in an interview in Abuja, that identity management has been a problem in the Capital market. SEC would no longer tolerate investors buying stocks in fake names and anything that might aid the flow of illicit funds. However, investors using multiple identities could, for a limited period, regularize their accounts at no penalty.

Covid-19, a litmus test for national identity management

Distribution of Covid-19 palliatives has been a herculean challenge because of the absence of a universal identification system. Remarking that NIN registration would have served but for its low coverage, the General Manager, Operations at NIMC, Mr. Abdulhamid Umar, told THISDAY that the effect of Coronavirus virus has become a litmus test for Nigeria's identity management system.² He, therefore, called for adequate funding to facilitate the harmonization of existing data bases and universal registration speedily.

Consumer Protection, Privacy and Data Protection, Cybercrime and Fraud

Fraud scams: N50 million Credit Facility to Households and SMEs

CBN on 13 April 2020 [warned SMEs](#) accessing the N50 billion targeted credit facility not to pay processing fees to fraudsters, as no fee is required for any COVID-19 loan application. SMEs and households were advised to disregard messages for such payments and reiterated procedures for accessing the facility through NIRSAL Microfinance banks stated in the [published guidelines](#).³

Covid-19 Cybercrime threats



The Nigerian police have warned that some scammers have created and set up fraudulent e-commerce platforms, websites, social media accounts and emails urging people to buy Coronavirus-related medical products.⁴ They then request payment by bank transfer, thereby luring naïve persons to expose their account details to the criminals. Others impersonate the government by forwarding fake donations request letters from the Federal Ministry of Finance.

Hiatus on refunds for failed Visa and Verve card transactions

Interswitch obtained approval from the Central Bank of Nigeria (CBN) to suspend operations on its Dispute Management portal due to CoVID-19 movement

¹SEC Develops Investors Data, Consent Form To Address Identity Management, Inside Business, April 8, 2020. Available at: <https://insidebusiness.ng/104971/sec-develops-investors-data-consent-form-to-address-identity-management/>

²Covid-19 as Litmus Test for National Identity Management, This Day Newspaper, April 13, 2020. Available at: <https://www.thisdaylive.com/index.php/2020/04/13/covid-19-as-litmus-test-for-national-identity-management/>

³Abiola Odutola, CBN warns SMEs not to pay any fee to access its N50 billion stimulus package, Nairametrics, 13 April 2020. Available at: <https://nairametrics.com/2020/04/13/cbn-warns-smes-not-to-pay-any-fee-to-access-its-n50-billion-stimulus-package/>

⁴Op-Ed Contributor, Urgent need to re-up cybersecurity efforts as digital payments gain popularity, Nairametrics, April 11, 2020. Available at: <https://nairametrics.com/2020/04/11/urgent-need-to-re-up-cybersecurity-efforts-as-digital-payments-gain-popularity/>

restrictions. Consequently, Banks advised their customers that all refunds for failed visa and verve card transactions on other ATMs and PoS terminals will not be processed until the suspension is lifted.⁵

Though the directive was later withdrawn by the CBN and Interswitch denied suspending their dispute management portal via twitter⁶, banks had already sent a notification advising customers to avoid using other banks ATMs and PoS terminals.

Digital Rights Protection



Paradigm Initiative – a civil society organisation – has started developing a platform that would enable people report cases of digital rights violations. This platform will also allow partners of the initiative respond to these cases.⁷

Data Protection and Privacy

The Minister of Communications and Digital Economy, Dr. Isa Pantami, on Friday, 17th April, 2020, [directed](#) the National Information Technology Department Agency (NITDA) to issue a comprehensive data protection framework. The framework is to guide public institutions on the lawful processing of personal data for public and vital interest such as public health, welfare, security and related matters.⁸ This is to ensure that the use of citizens data for checking the spread of COVID-19, providing palliatives to vulnerable members of the society and preventing criminal activities, complies with laid down regulations.

NIMC passes ISO/IEC 27001:2013 re-certification audit

The National Identity Management Commission (NIMC) has passed the ISO/IEC 27001:2013 re-certification audit related to the management of risks to the security of information held by an entity.⁹ According to Kayode Adegoke, NIMC head of corporate communications, recertification confirms that NIMC operates an information security management system (ISMS) that protects the data of the citizens in line with the requirements of ISO 27001:2013.

DFS Environment: Interoperability, Collaboration and Competition

Agent Banking and Electronic Payments

[Remita](#) and [Paga](#) partnered to extend the frontiers of electronic payment in Nigeria. The first phase of this partnership is to enable Paga customers make payments end-to-end to all Remita billers and merchants right from Paga's web channel. Paga's agents nationwide would also be able to process and complete payments to all Remita customers from their platforms.¹⁰

Credit reward for Healthcare

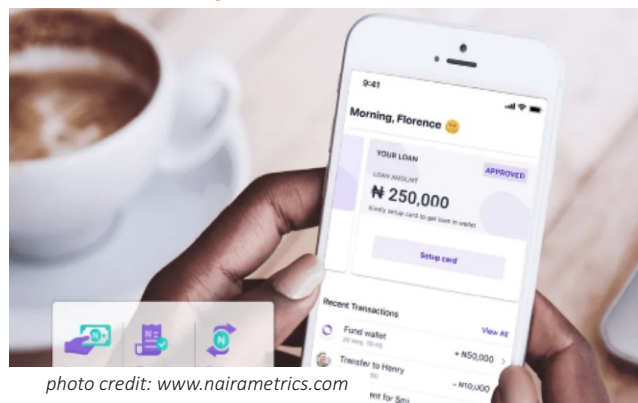


photo credit: www.nairametrics.com

[Carbon](#) – a digital financial services firm, has partnered with [AXA Mansard](#) to launch a range of healthcare benefits as reward to Carbon's customers. Customers with the qualifications mentioned below are qualified monthly for N20,000 cash benefit in the event of being

⁵Fakoyejo Olalekan, CBN temporarily suspends settlement of failed Visa and Verve card transactions, Nairametrics, 3 April 2020. Available at: <https://nairametrics.com/2020/04/03/cbn-suspends-refunds-for-failed-visa-and-verve-card-transactions/>

⁶Chike Olisah, CBN reverses suspension order on dispute management operations, interswitch reacts, Nairametrics, 6 April 2020. Available at: <https://nairametrics.com/2020/04/06/cbn-reverses-suspension-order-on-dispute-management-operations-interswitch-reacts/>

⁷Peter Oluka, Paradigm Initiative has started building digital rights violation reporting platform, TechEconomy, 24 April 2020. Available at: <https://techeconomy.ng/2020/04/paradigm-initiative-has-started-building-digital-rights-violation-reporting-platform/>

⁸Modupe Abidoye, Use of citizens' data in fight against COVID-19 will follow appropriate regulations, says Pantami, TechEconomy, 17 April 2020. Available at: <https://techeconomy.ng/2020/04/use-of-citizens-data-in-fight-against-covid-19-will-follow-appropriate-regulations-says-pantami/>

⁹Mary Ugboadaga, NIMC passes ISO/IEC 27001:2013 re-certification audit, April 24, 2020. Available at: <https://www.thecable.ng/nimc-passes-iso-iec-270012013-re-certification-audit>

¹⁰Peter Oluka, Remita, Paga partner to deepen digital payments, TechEconomy, 14 April 2020. Available at: <https://techeconomy.ng/2020/04/remita-paga-partner-to-deepen-digital-payments/>

hospitalized for 2 or more nights. However, the cover is for a period of one month for every qualifying month on a recurring basis, as customers continue to qualify.¹¹

API developer raises \$1 million

The Lagos based [API](#) developer Okra created a product that connects bank account to banking applications and opens up the code to developers for its five product categories: authorization, balance, transactions, identity and accounts.¹² It has raised \$1 million in pre-seed funding from [TLcom Capital](#) — a \$71 million Africa focused VC firm that rarely invests in early-stage companies or fintech. It is now poised to enter new markets and is hiring staff.

Enabling Financial Inclusion at the Last Mile

No food security without financial inclusion of farmers



Co-founder and Managing Partner of Sahel Consulting, Nnidi Okonkwo Nwuneli, at a Nairametrics Tweet chat said that it will be impossible for Nigeria to achieve food security or GDP growth when more than 74% of her 10 million small-scale farmers are financially excluded.¹³ Therefore, financial inclusion to invest in requisite technology is now a strategic imperative in light of Covid-19 induced border and trade closures. She reiterated that enabling farmers to receive e-funds would stimulate growth of the financial sector in the

long term.

Access to Credit



Access Bank Plc on 2 March 2020, introduced a Dual Transactions Service (DTS) designed to allow pre-approved customers access to a credit line through their existing debit card.¹⁴ This product comes as an enhanced debit card that enables customers who earn from N20,000 and above, have access to credit of up to three times value of their salary. To activate this service, customers are expected to dial *901*14#

Refund on Insurance Premiums during the COVID-19 lock down



Wapic Insurance plc, on 24 April, 2020 offered customers refunds on their motor insurance premiums for the lockdown period. The refund will automatically be credited to customers with active policies at the end of the lockdown period.¹⁵

¹¹ Abiola Odutola, Carbon, AXA Mansard to reward customers with healthcare benefits, Nairametrics, 22 April, 2020. Available at: <https://nairametrics.com/2020/04/22/carbon-axa-mansard-to-reward-customers-with-healthcare-benefits/>

¹² Jake Bright, Nigeria's Okra raises \$1M from TLcom connecting bank accounts to apps, Tech Crunch, April 27, 2020. Available at: <https://techcrunch.com/2020/04/27/nigerias-okra-raises-1m-from-tlcom-connecting-bank-accounts-to-apps/>

¹³ Ruth Okwumbu, Nigeria's food security, GDP growth hinge on financial inclusion of farmers, Nairametrics, April 17, 2020. Available at: <https://nairametrics.com/2020/04/17/nigerias-food-security-gdp-growth-hinge-on-financial-inclusion-of-farmers/>

¹⁴ Access Bank makes transaction easier during lockdown, PM News, 2 April 2020. Available at: <https://www.pmnewsnigeria.com/2020/04/02/access-bank-makes-transaction-easier-during-lockdown/>

¹⁵ Modestus Anaesoronye, Wapic offers auto insurance policy holders refund on premiums during COVID-19, Business Day, 23 April 2020. Available at: <https://businessday.ng/exclusives/article/wapic-offers-auto-insurance-policy-holders-refund-on-premiums-during-covid-19/>

Health services by USSD to fight Covid-19

Nigeria Center for Disease Control (NCDC) has integrated Wellvis Health interface into its systems.¹⁶ Wellvis Health's product, using USSD, can enable underserved users without an internet-enabled phone or living in remote areas without internet access ability to assess their exposure to Covid-19 and monitor or report their symptoms.

Enabling Environment for DFS Ecosystem

CBN extends recapitalization deadline for Microfinance Banks (MFBs)

In consideration of the impact of the COVID-19 pandemic on economic activities, the CBN On 29 April 2020, issued [a circular](#) extending deadline for all categories of MFBs for compliance with the revised minimum capital requirements published in 2019. The CBN gave a one-year extension as follows:

MFB TYPE	Minimum Capital Requirements (Deadline)	
	April 2021	April 2022
National MFB	N3.5 million	N5 billion
State MFB	N500 million	N1 billion
Tier I (MFBs operating in urban and high density banked areas)	N100 million	N200 million
Tier 2 (MFBs operating in rural, unbanked, underbanked areas)	N35 million	N50 million

Source: [Review of Minimum Capital Requirements for Microfinance Banks in Nigeria](#)

Enabling Environment for Technology Start-Ups and ICT businesses

NITDA, on 1st April 2020, inaugurated a 10-member advisory committee to advise the government on measures to be taken to mitigate the impact of the COVID-19 pandemic on Technology start-ups, small and medium businesses as well as the Technology Ecosystem in general.¹⁷ This followed the directive of the

Minister of Communications and Digital Economy, Dr. Isa Pantami, to NITDA to investigate how the government can effectively provide an enabling environment for Technology Start-ups and ICT businesses to help cushion the impact of the COVID-19 pandemic of their businesses.

Digital skills training opportunity for all Nigerian's

The Minister of Communications and Digital Economy, Dr. Isa Ali Ibrahim Pantami, on Wednesday 29th April 2020, virtually commissioned the NITDA Training and Research Academy.¹⁸ The initiative is a collaboration between the Ministry, NITDA, Microsoft, Huawei Technologies, Oracle and Cisco. It is meant to empower citizens with Digital Skills in the race to digitalise the nation's economy. Training opportunities are open and all Nigerians nationwide were encouraged to acquire and develop digital skills as a necessary post Covid-19 competency.

DFS Infrastructure

ICT parks to promote socio-economic transformation



The Nigerian Communications Commission (NCC) is set to build six information and Communication Technology (ICT) parks to provide innovation labs and digital fabrication laboratories for use by ICT innovators and entrepreneurs, to turn their ideas into products and prototypes. The parks will also provide commercial hubs for building capacity in ICT and digital skills.¹⁹

¹⁶Modupe Abidoye, COVID-19: Seven startups receive \$3,000 funding from Ventures Platform, partners, Tech Economy.ng, April 24, 2020. Available at: <https://techeconomy.ng/2020/04/covid-19-seven-startups-receive-3000-funding-from-ventures-platform-partners/>

¹⁷Press Release – Cushioning the Impact of COVID-19 on the Technology & Innovation Ecosystem: DG NITDA Inaugurates Advisory Committee, NITDA Website, 6 April, 2020. Available at: <https://nitda.gov.ng/press-release-cushioning-the-impact-of-covid-19-on-the-technology-innovation-ecosystem-dg-nitda-inaugurates-advisory-committee/>

¹⁸Modupe Abidoye, Pantami commissions NITDA training and research academy, TechEconomy.ng, April 29, 2020. Available at: <https://techeconomy.ng/2020/04/pantami-commissions-nitda-training-and-research-academy/>

¹⁹Modupe Abidoye, NCC set to build six ICT parks to propel socio-economic transformation, TechEconomy.ng, 12 April 2020. Available at: <https://techeconomy.ng/2020/04/ncc-set-to-build-six-ict-parks-to-propel-socio-economic-transformation/>

Governor's grant right of way for unhindered infrastructure expansion

NCC disclosed that fibre optic cables and other telecoms equipment were being laid in Lagos and other States by mobile network operators following approvals granting right of way and unhindered expansion of telecommunication infrastructure across the States.²⁰ The works were in no way connected with 5G network expansion as being alleged in social media.

Digital Platform for SMEs



[Rensource](#) – a renewable energy and merchant service company launched a digital platform called [merchlist.co](#). Merchlist.co is a platform that helps small and medium sized retailers get discovered quickly while enabling servicing and fulfillment of customers' orders online. This platform is developed to make SMEs accessible during the COVID-19 pandemic by allowing customers see their service availability in real time and purchase directly from them. The platform provides services, contact details, and delivery methods of SMEs.

Though this product is still in its beta testing stage, Rensource plans to roll out in markets across Nigeria soon.²¹

Digital Currency



[Bundle](#) – a social payment app for cash or cryptocurrency, was launched within the Binance Ecosystem by Yale Bademosi, Founding Partner, Micotraction on 23 April 2020. Bundle is a product developed as a wallet in the binance ecosystem to enable Africans regardless of their geographical location, have access to open and inclusive financial services that will improve the quality of Lives. Through this wallet, customers can buy, sell and store digital assets such as BNB, BTC, ETH, and BUSD.²²

²⁰ Emma Okonji, NCC explains laying of fibre optic cables in Lagos, others, This Day, April 9, 2020. Available at: <https://issuu.com/thisdaylive/docs/tidla-0409>

²¹ Modupe Abidoye, Rensource launches merchlist.co as means to connect SMEs to customers during lockdown, TechEconomy.ng, 14 April 2020. Available at: <https://techeconomy.ng/2020/04/rensourcelaunchesmerchlistcoasmeans-to-connect-smes-to-customers-during-lockdown/>

²² Ifeanyi Ndiomewese, Former Binance Labs director, Yale Bademosi launches 'Bundle', to unify traditional fintech and open finance, Techpoint Africa, 23 April 2020. Available at: <https://techpoint.africa/2020/04/23/bundle-launch-exclusive/>

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