

Volume 1 | Issue no. 2 | February 2020



POLICY TRACKER

A Monthly Bulletin of Financial Inclusion Policy Developments



**LAGOS
BUSINESS
SCHOOL**

PAN-ATLANTIC UNIVERSITY

Global Identity Management/Know-Your Customer

NIN requirement for SIM Registration



On February 5, 2020, Mr. Isa Ali Pantami, Minister of Communications and Digital Economy directed the Nigerian Communications Commission (NCC) to revise the policy on SIM registration and usage to include the provision of National Identity Number (NIN) as a prerequisite for registration. Registered SIM cards are to be updated before 1 December 2020.¹

National Identity Data Harmonization

The Committee on Citizen Data Management and Harmonization, chaired by the Minister of Interior, promised to speed up the harmonization of Nigeria's numerous citizen identification datasets held by different government Ministries, Departments and Agencies.² The Committee was inaugurated by President Buhari in the wake of the United States restriction on immigrant visas.

Arrest, prosecution for non-possession of NIN

Muhammad Auwalu, Kano State coordinator, National Identity Management Commission (NIMC), was reported to have declared that the Agency will soon start arresting and prosecuting Nigerians without National Identity Number (NIN).³ It is yet unclear if this was a ploy to encourage enrolment.

National Assembly Concerns on Identity Management

Worried by the slow pace of enrolment and challenges faced by NIMC, a motion was introduced in the Senate on 18 February 2020, urging the Executive to declare a state of emergency on citizens documentation in Nigeria and to devise new means in line with global best practice to enhance the security features of her security documents, among other things.⁴ Following this, on 19 February 2020, the House of Representatives directed its Committee on Population to investigate the NMIC over the slow and laborious enrolment of Nigerians for the National Identity Number (NIN).⁵

World Bank Funding

The World Bank on 18 February 2020 approved the National Digital Identity Ecosystem Project that provides financial support to the National Identity Management Commission (NIMC) to enroll 150 million persons in the next three years.⁶ The aim is to partner with different agencies and private sector organizations to register people on behalf of NIMC.

Consumer Protection, Privacy and Data Protection

National Digital Identity Ecosystem Project



The World Bank funded National Digital Identity Ecosystem Project aims to enhance the national identity system's legal and technical safeguards to protect personal data and privacy.

¹Akiyode-Lawanson, Jumoke (2020). Nigeria to enforce NIN as requirement for SIM card registration, activation. Available at <https://businessday.ng/technology/article/nigeria-to-enforce-nin-as-requirement-for-sim-card-registration-activation/>

²PR Nigeria-Press Release. Available at: <https://prnigeria.com/2020/02/12/nigeria-data-harmonisation-committee/>

³Nigeria Communications Week, NIMC to Arrest, Prosecute Nigerians without National IDs, 7/2/2020. Available at: <https://www.nigeriacommunicationsweek.com.ng/nimc-to-arrest-prosecute-nigerians-without-national-ids/>

⁴Senate of the Federal Republic of Nigeria Order Paper, Tuesday, 18th February, 2020 <https://placng.org/i/wp-content/uploads/2020/02/Senate-order-paper-Tuesday-18th-February-2020.pdf>

⁵Independent Newspaper, Reps To Investigate NIMC Over Identification Number, 19/2/2020, <https://www.independent.ng/rep-to-investigate-nimc-over-identification-number/>

⁶NIMC news headlines. Available at <https://www.nimc.gov.ng/world-bank-approves-nigerias-identity-project-five-others/>

Cybersecurity Awareness Campaign

Through the month of February, the Nigerian Communications Commission (NCC) sensitized students⁷ and parents⁸ on the risks associated with unguided internet usage, and the knowledge to protect themselves and their wards.

New Cyber Security Standards

The NCC released the Internet Industry Code of Practice on 7 February 2020. The code with issue date 26 November 2019, sets out industry wide standards for Internet Access Service Providers (IASPs). It seeks to:

- Protect the right and interests of service providers and consumers;
- Minimize discriminatory internet traffic management by service providers;
- Protect rights of consumers, minors and vulnerable audiences online;
- Protect against abuses, unsolicited messages, potentially harmful content etc.;
- Establish best practice internet governance among other things.

Also, the NCC has established a Cyber Security Incidence Response Team (CSIRT),⁹ to collaborate with the National CSIRT in the prevention and management of potential cyber security related emergencies.

Fintech and Innovation Unit

To address the implications and risk of technological innovation in the nation's financial industry, the Nigerian Deposit Insurance Corporation has established a "Fintech and Innovation Unit".¹⁰ The Unit shall engage and collaborate with innovators in the financial and non-financial sectors of the economy to identify, develop and promote technology-driven solutions that protects depositors and improves the safety and soundness of insured financial institutions.

Financial and Digital Literacy



The Nigerian Stock Exchange (NSE) published the maiden edition of a comic (in print and digital version) – [StockTown](#) to educate readers on the importance of savings and investment.¹¹ StockTown was launched on 19 February 2020 to promote financial literacy.

On February 8, 2020, the Fintech firm – Eyowo Integrated Payment Limited¹² launched a workshop series on "Driving Business growth with data". The workshop objective was to facilitate transactions by SMEs by educating participants on accounting and stock keeping using the Eyowo for business retail solution.

DFS Environment: Interoperability, Collaboration and Competition

Harmony between Telecoms and Banking Sector



The Executive Vice Chairman and Chief Executive (EVC/CE) of the Nigerian Communications Commission (NCC), Prof. Umar Danbatta at a meeting with the Bill & Melinda Gates Foundation on 5 February 2020, called for greater cooperation and collaboration between the

⁷NCC media headlines. Available at <https://www.ncc.gov.ng/media-centre/news-headlines/780-ncc-educates-visiting-students-on-risks-associated-with-internet-usage>

⁸NCC media headlines. Available at <https://www.ncc.gov.ng/media-centre/news-headlines/779-ncc-educates-parents-on-child-online-protection>

⁹NCC media headlines. Available at <https://www.ncc.gov.ng/media-centre/news-headlines/775-ncc-commences-nationwide-cybersecurity-awareness-campaign>

¹⁰NDIC press release. Available at <https://ndic.gov.ng/ndic-establishes-new-unit-on-fintech-and-innovation/>

¹¹Olawoyin, Oladeinde (2020). NSE launches comic book to boost financial literacy. Available at <https://www.premiumtimesng.com/business/financial-inclusion/378119-nse-launches-comic-book-to-boost-financial-literacy.html>

¹²Eyowo Integrated Payment Limited provides access to send and receive money, buy airtime, pay bills, make card less ATM withdrawals, request and accept payment from customers, using only their phone numbers. Channels for service include mobile application and/or USSD.

banking and telecommunications sectors to harmonize the cost of transactions for financial services.¹³

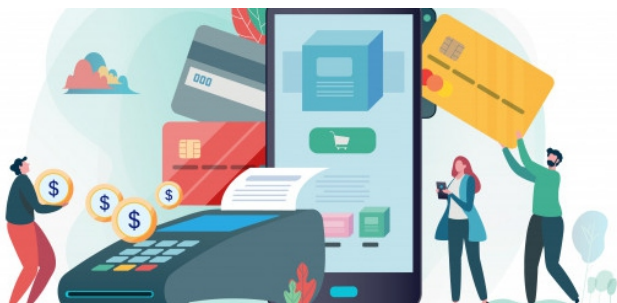
Sustainable Investment Portfolios

Paga (a licensed Mobile Money Operator) on February 10, 2020 disclosed its partnership with Wealth.ng investment in developing a sustainable investment service for consumers. This enables consumers build alternative investments in fixed income, stocks, savings, agriculture, real estate and more, with an opportunity of earning up to 16% interest annually¹⁴

Enabling Financial Inclusion at the Last Mile

Agency Banking Payment Device

BaxiBox, the financial platform arm of Capricorn Digital Limited, a super-agent licensed by CBN launched a campaign to create national awareness for its multiple financial services across the country. BaxiBox, a multifunctional android based device, is a one-stop-shop payment ecosystem that provides financial access and solutions to agents and customers.¹⁵



Increased Access to Credit

To encourage financial inclusion and enable access to financial services without internet or smartphone, Carbon, a Pan-African Digital Financial Services (DFS) company, has introduced a USSD service to its platform. With this USSD code – *1303# - customers can now access instant loans and other payment solutions.

Also, United Bank for Africa (UBA) launched a time loan product called – “Click Credit” to provide urgent loans to customers between the ages of 18 and 59 at an interest rate of 1.58% per month. This can be accessed using the USSD service - *919*28# and is available to customers earning not less than N25,000 per month whose salary accounts are domiciled with the bank. Customers can apply for loans of up to N5 million naira, repayable in 12 months. No extra fees or collateral is required.¹⁶

Cross Border Remittances

Ecobank concluded a cross-border remittance agreement with Alipay, the world's leading payment and lifestyle platform. This will facilitate instant diaspora transfers from Rapid transfer, Ecobank's remittance solution, to users of Alipay, which serves more than 1.2 billion people globally together with its local e-wallet partners.¹⁷

Green Finance for Farmers

To boost low-income farmers' resilience to climate change and mitigate the effect of damage on crops or livestock, Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) launched the Area Yield Index Insurance product. This has protected up to N6.5 billion in revenues of over 37,399 farmers, with over N121 million compensation paid.¹⁸

NIPOST/NCC Collaboration



Executive Vice Chairman and Chief Executive of NCC, Prof. Umar Danbatta, received a visit by the Postmaster General of the Federation, Dr. Ismail Adewusi on 19 February 2020. NIPOST sought collaboration with NCC

¹³Tech Economy.ng, Stronger Telecom, Banking Sectors Partnership Will Deepen Financial Inclusion – Danbatta, February 6 2020. Available at: <https://techeconomy.ng/2020/02/stronger-telecom-banking-sectors-partnership-will-deepen-financial-inclusion-danbatta/>

¹⁴Paga news headlines. Available at <https://medium.com/@mypaga/grow-your-wealth-on-paga-now-148ef4c71557>

¹⁵This Day Newspaper, Achieving Financial Inclusion through Agency Banking, February 13, 2020. Available at: <https://www.thisdaylive.com/index.php/2020/02/13/achieving-financial-inclusion-through-agency-banking/>

¹⁶Financial Empowerment: UBA Launches “Click Credit” to ease access to cash for customers. Available at <https://nairametrics.com/2020/02/23/financial-empowerment-uba-launches-click-credit-to-ease-access-to-cash-for-customersfinancial-empowerment-uba-launches-click-credit-to-ease-access-to-cash-for-cus/>

¹⁷Business Africa Online, Financial Inclusion: Ecobank Group and Alipay Partner on cross-border remittance, February 12, 2020. Available at: <https://businessafricaonline.com/alipa/>

¹⁸Mr. Aliyu Abdulhameed, Managing Director of NIRSAL confirmed this at the Agribusiness Summit held on 13 February 2020. See <https://nairametrics.com/2020/02/24/nigerian-farmers-get-n6-5-billion-insurance-cover/>

on the provision of access to affordable Information and Communications Technology (ICT) services (e-government and other e-services) to the rural areas of the country, through the Universal Service Provision Fund (USPF). NIPOST has presence in the country's 774 Local Government Areas¹⁹.



Funding to Improve Inclusion

Aella - a Nigerian Micro-lending Fintech, raised \$10m, from HQ Financial Group (a Singapore-based private company), to scale up lending to the unbanked, underserved and un-served in West Africa. Among others, this fund will be invested in a new product called Creditcoin (a blockchain-based lending market) to build borrower creditworthiness and aid inclusion.²⁰

Also, EFInA received an additional funding commitment from UK Aid, as part of a £320m package. This will fund nine (9) existing Financial Sector Deepening Programmes (FSDPs), to set up and scale new FSDPs in high-priority markets, including Ethiopia, Ghana, Sierra Leone and the West African Monetary Union.²¹

Increased Access to Finance for Women

On February 10th, 2020, Zenith Bank introduced the Z-Woman business package – a financial product for female owned businesses with shareholding of 55% and above. Account holders can access loans up to N10,000 million at an interest rate of 9% per annum and receive free digital skills training for business expansion/growth.²²

DFS Infrastructure

Telecoms Infrastructure and Financial Inclusion

The Executive Vice Chairman and Chief Executive (EVC/CE) of the NCC, Prof. Umar Danbatta at a meeting with the Bill & Melinda Gates Foundation on 5 February 2020, expressed the view that wireless and fibre connectivity were the best enabler of financial inclusion. He stated that 35 million Nigerians lacked access to telecom infrastructure, and were financially excluded. He hoped that the Federal Government will take a concrete position soon to enable the Infracos licensed by NCC to commence operations, in order to deliver fibre from landing ports to rural communities.²³

Broadband and Network Services Expansion



On 10 February 2020, Viasat – a commercial satellite operator, sought the approval and support of NCC to reserve and use in Nigeria, the 28 GHz KA frequency band, to provide cost-effective internet connectivity and high throughput satellite connectivity. This will provide broadband services to , governments, schools, MSMEs, unserved and underserved areas of Nigeria.²⁴

On 20 February 2020, 9mobile announced its 4G LTE network covered 16 cities in Nigeria. These are Nasarawa, Kano, Sokoto, Niger, Kaduna, Aba, Ogun, Abuja, Calabar, Owerri, Onitsha, Lagos, Ogun, Uyo and Port Harcourt.²⁵

¹⁹NCC, NIPOST Explore Areas of Collaboration to Strengthen Effective Delivery of Mandates, 19/2/2020. Available at: <https://www.ncc.gov.ng/media-centre/news-headlines/789-ncc-nipost-explore-areas-of-collaboration-to-strengthen-effective-delivery-of-mandates>

²⁰Adegoke, Adedayo (2020). Financial inclusion in West Africa gets a boost with new \$10m raise by Aella Fintech. Available at <https://blog.aellacredit.com/financial-inclusion-in-west-africa-gets-a-boost-with-new-10m-raise-by-aella-fintech-15b3d02199b2>

²¹Business Day News Headline. Available at <https://businessday.ng/news/article/efina-welcomes-funding-commitment-from-uk-aid/>

²²NM Partners (2020). Zenith Bank promotes women empowerment with Z-Woman. Available at <https://nairametrics.com/2020/02/10/zenith-bank-promotes-women-empowerment-with-z-woman/>

²³Tech Economy.ng, Stronger Telecom, Banking Sectors Partnership Will Deepen Financial Inclusion – Danbatta, February 6 2020. Available at: <https://techeconomy.ng/2020/02/stronger-telecom-banking-sectors-partnership-will-deepen-financial-inclusion-danbatta/>

²⁴NCC news headlines. Available at <https://www.ncc.gov.ng/media-centre/news-headlines/781-viasat-visits-ncc-updates-the-commission-on-readiness-to-deploy-broadband-satellite-services>

²⁵Okonji, Emma (2020). 9mobile deepens 4G Penetration Expands to 16 cities. Available at <https://www.thisdaylive.com/index.php/2020/02/21/9mobile-deepens-4g-penetration-expands-to-16-cities/>

For feedback and comments

Sustainable Inclusive &
Digital Financial Services,
Lagos Business School,
Km. 22, Lekki- Epe Expressway
Ajah, Lagos, Nigeria

Email: sustainabledfs@lbs.edu.ng

Content & Editorial Work:

Prof. Olawale Ajai
Tobechukwu Njideaka

Design & Images:

Ibukun Taiwo
Olanrewaju Adelaja



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