



CENTRAL BANK OF NIGERIA

# FINANCIAL INCLUSION NEWSLETTER

A Quarterly Publication of the Financial Inclusion Secretariat

July 2016, Volume 1, Issue 3

## Nigeria hosts delegates from Uganda and Senegal on Knowledge Exchange Visit to understudy the National Financial Inclusion Strategy

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Delegates from Uganda and Senegal with Staff of the Central Bank of Nigeria, during the Knowledge Exchange visit in Abuja (June, 2016)

Under the auspices of the Alliance for Financial Inclusion (AFI), 10 delegates from Uganda and Senegal were in Nigeria for a one-week Knowledge Exchange visit.

The visit was focused on understudying the implementation of the National Financial Inclusion Strategy, in order to support similar efforts in the delegates' respective countries.

The delegation was drawn from the Federal Ministry of Finance, Economy and Development of Senegal and the Inter-institutional Task force on financial inclusion of Uganda.

The visit included interactive engagements with implementing agencies across various

sectors, project inspection as well as participation as Observers during the 6th Financial Inclusion Working Group meetings.

Other highlights from the visit;

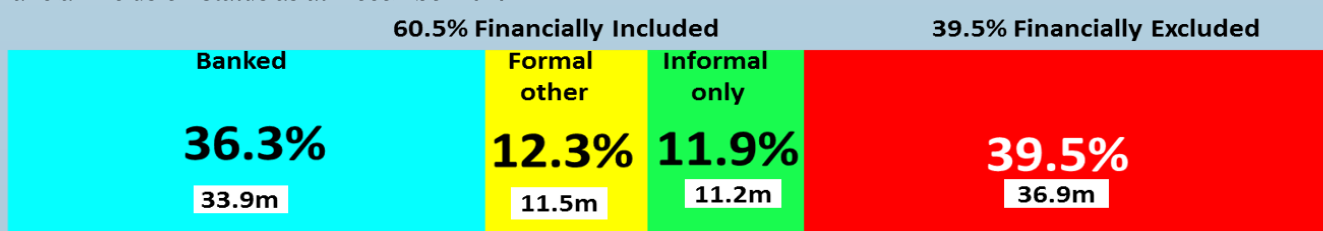
- The delegation was received at the Central Bank of Nigeria (CBN). A brief overview of the objectives of the Bank was presented as well as an overview of the National Financial Inclusion Strategy.
- **Knowledge Sharing with Internal Stakeholders:** This session featured knowledge exchange by CBN departments on financial inclusion initiatives; Financial Literacy & Consumer Protection, Microfinance Policy Regulatory & Supervisory Framework,

Cashless Nigeria Policy & Mobile Payment Initiatives, Agent Banking amongst others.

- **Knowledge Sharing with External Stakeholders:** This session involved knowledge exchange on various sectors; Insurance, Pensions, Capital Market, Identity management, Deposit Protection, among others.

The visit showcased the international recognition of Nigeria's Financial Inclusion efforts and gave credence to the National Financial Inclusion Strategy aimed at achieving 80% adult financial inclusion by 2020.

### Financial Inclusion Status as at December 2014



Source: Enhancing Financial Innovation & Access (EFInA)



## 6th National Financial Inclusion Technical Committee meeting to drive Strategy Implementation



Dr. Farouk Aminu - Director, Corporate Strategy & Research (PENCOM), chairing the meeting



Interactive session during the meeting



Cross section of participants

The 6th Meeting of the National Financial Inclusion Technical Committee held on Thursday, 23rd June 2016 at the CBN Headquarters, Abuja. The Committee was set up to provide technical support on strategy implementation and serves as the advisory body to the National Financial Inclusion Steering Committee. The Head Research and Corporate Strategy Department (PENCOM), Dr. Farouk Aminu chaired the 6th meeting which had in attendance Directors and equivalents from member institutions.

Key highlights at the meeting included the updates from the chairperson's of the Financial Inclusion Working Groups on the progress of the approved activities for each group (See Page 3 for details).

The Head, Financial Inclusion Secretariat Mrs. Temitope Akin-Fadeyi provided a brief update, highlighting the following strategic engagements;

1. **5-year Financial Inclusion Target setting with Deposit Money Banks:** the

proposed target breakdown per bank approved by the Bankers' Committee at the June 2016 meeting. Engagements ongoing on the implementation process.

2. **Review of Data Collection Templates with Regulatory Agencies:** Based on engagements with stakeholders, revised reporting templates have been developed and agreed with each Agency and usage expected to commence for the Half-Year Progress Reports of June 2016
3. **Financial Inclusion of People with disabilities:** CBN Management has approved the launch a nationwide Pilot targeted at over 5,000 Persons With Disabilities (PWD) beneficiaries to access the MSMEDF.
4. **Stakeholder Engagement Workshop** was organized on Scaling up Disbursement of the Bank's MSMEDF to People with Disabilities
5. **Delegate Visit from Uganda and Senegal:** Under the auspices of the Alliance for Financial Inclusion (AFI) 10 delegates from Uganda and Senegal completed a one-week Knowledge Exchange visit to Nigeria.

6. **2 (two) editions of the Financial Inclusion Newsletter have been published.**

7. **2015 Financial Inclusion Annual Report** was presented to the committee following an electronic report which had been circulated to members two weeks ahead of the meeting.

At the end of the presentation, the Committee approved for the Report to be presented to the Steering Committee for approval to publish at its next meeting.

Key recommendations from the Annual report are listed below;

Key Recommendation for Service Providers	Key Recommendation for Enablers	Key Recommendation for Supporting Institutions
1. Incorporate financial inclusion into corporate strategy	1. Enforce regulatory compliance on policies	1. Play stronger advocacy roles on policy issues
2. Address dispersion gaps in deployment of financial access points	2. Deliver on financial inclusion commitment (targets)	2. Facilitate the delivery of financial inclusion commitment (targets)
3. Leverage new and innovative technologies for outreach	3. Enhance operational environment required for initiatives to thrive	3. Support capacity building of industry stakeholders
4. Leverage strategic partnerships for expansion	4. Leverage strategic partnerships for expansion	4. Leverage strategic partnerships for outreach
5. "Put the Customer at the centre" of initiatives	5. "Put the Customer at the center" of initiatives	5. "Put the Customer at the centre" of initiatives
6. Enhance financial inclusion database	6. Enhance financial inclusion database	6. Enhance financial inclusion database





## 6th Financial Inclusion Working Group Meetings to drive Strategy Implementation



*Presentation by GIZ at the Joint plenary session during the 6th Financial Inclusion Working Group meetings.*

The four Financial Inclusion Working Groups held their 6th meetings at the International Training Institute of the CBN in Abuja on 17th June, 2016.

Mandates of the Groups;

- Scaling up adoption of savings and credit, among others,
- Expanding dispersion of financial access points across the country,
- Enhancing financial capability of consumers, and
- Facilitating financial inclusion of Women; Youth and People with Disabilities (PWD)

The meeting commenced with a joint plenary session of all the working groups during which the German Development Corporation (GIZ) showcased an Edutainment video on promoting uptake of Micro-insurance and Microfinance among excluded population.

The video highlighted the importance of having an insurance policy to mitigate against unforeseen risks in daily life and also advocated for the adoption of Microfinance as a tool for poverty alleviation.

Highlights of the concurrent meetings;

### The Financial Inclusion Products Working Group (FIPWG)

#### **1. Micro Insurance Framework:**

A diagnostic study of micro insurance in Nigeria was carried out showing identified gaps in demand and supply, policy & regulations and recommendations had been delivered.

National Microfinance Association on the verge of signing an MOU with NICON Insurance Company in respect of micro insurance product for its members.

#### **2. Harmonization of Data Capturing for National ID:**

The date for the mandatory use of the National Identity Number (NIN) would have to be adjusted in view of the current challenges and the need to establish more verification user points

#### **3. Capital Market Financial Inclusion Strategy:**

Securities & Exchange Commission reported that in-house input on the Capital Market Financial Inclusion Strategy has been collated and the document undergoing review.

**4. High USSD Charges:** High-level engagement between the CBN and NCC to address related issues on Mobile Money.

### Financial Inclusion Channels Working Group (FICWG)

#### **1. Financial Inclusion distribu-**

**tion channels for the Capital Market:** update presented by Fund Managers Association, highlighting that Mobile Money Agents are being considered as potential channels through which Capital market products can be distributed.

#### **2. Internet Access at the 774 Local Government Areas:**

The representative of the National Communications Commission (NCC) presented a brief report on the progress made so far on the provision of ICT access in the 774 LGAs across the country

#### **3. Shared Agent Network/ Super-Agent Licensing:**

The CBN Agent Banking database has gone live with 4 Mobile Money Operators piloted. A total of 1,604 Agents have already been uploaded on the database

#### **4. Implementation of the Bancassurance Guidelines - NAICOM**

was ongoing

### The Financial Literacy Working Group (FLWG)

#### **1. Mass Sensitization and Enlightenment:**

updates from members including Mercy-corps on creating awareness on the use of National Electronic Card issued by the National Identity Management Commission (NIMC) and a CBN planned sensitization programme in Kebbi state with the grassroots farmers and market people

#### **2. School Reach-out & Mentoring/2016 Global Money Week:**

update on the 2016 Global Money Week, including updates from members on school reach out activities.

#### **3. Curriculum Development:**

plans underway towards a writing and planning workshop in July 2016.

**4. Stakeholders Workshop:** will feature consumer protection,

service delivery, and findings from the financial literacy survey. Workshop proposed for July, 2016.

### The Financial Inclusion Special Interventions Working Group (FISIWG)

#### **1. Presentation by the CBN Development Finance Department on the Youth Entrepreneurship Development Fund:**

The Fund was introduced in order to improve the economic empowerment opportunities for the youth estimated to be up to 60% of the adult population in the Country.

#### **2. Presentation by the Federal Ministry of Women Affairs and Social Development:**

The Ministry will in collaboration with 'Global Centre for Human Empowerment and Entrepreneurship Development' facilitate access to the CBN fund and build a value chain around other government programs such as the 'School Feeding Programme'.

#### **3. Scale Up of the Disbursement of the Micro Small and Medium Enterprise Development Fund for persons with disabilities:**

The CBN Committee of Governors (CoG) has approved for the pilot to take place on a national scale targeting 150 beneficiaries in each state of the federation.

#### **4. Update from the Federal Ministry of Youth and Sport:**

Progress within the Ministry towards the finalization of plans for the engagement of NYSC members as peer educators in a financial inclusion peer learning programmes have been hampered by budget constraints.

**Delegates from Uganda and Senegal participated as Observers during the meetings.**



**SPOTLIGHT: STRATEGY IMPLEMENTATION BY SERVICE PROVIDERS**  
**Major Financial Inclusion Milestones**

**HERITAGE BANK PLC**

As part of Heritage Bank’s commitment to SME and Youth Development, the Bank has been adopted by the Central Bank of Nigeria as the pilot Bank for the Youth Innovative Entrepreneurship Programme (YIEDP). The programme is aimed at harnessing latent entrepreneurial spirit amongst youths by providing timely and affordable loans to implement business ideas.

The Bank also has a key focus on financial literacy as part of its vision to create, preserve and transfer wealth across generations. The goal of the Financial Literacy program is to empower the Nigerian Child and Youth to make informed decisions about finances and wealth creation so they can take action to improve their present and long-term financial well being.



**Mr. Ifie Sekibo**  
*Managing Director, Heritage Bank*



**LAPO MICROFINANCE BANK**

LAPO Microfinance Bank, a pro-poor financial institution has launched skill acquisition programmes to promote skills acquisition and vocational training among the youths in Nigeria, especially client’s children. The initiative is in collaboration with the National Business for Technical Examinations Board (NABTEB) in order to support economic empowerment of the target market.

The Bank also recently launched the *Social Impact Deposit account* as a means of enhancing access to financial services among low-income earners. Accordingly to Mr. Ehigiamusoe, “After several years of supporting micro and small businesses owned by women, we have come to realize that they have the capacity to actively participate in the economic space, if sufficiently empowered.”

**Mr. Godwin Ehigiamusoe,**  
*Managing Director, LAPO Microfinance Bank*

Source: [www.vanguardngr.com/2016/07/lapo-mfbs-skill-acquisition-empowers-poor/](http://www.vanguardngr.com/2016/07/lapo-mfbs-skill-acquisition-empowers-poor/)  
 Source: [punchng.com/lapo-boosts-access-finance/](http://punchng.com/lapo-boosts-access-finance/)

**LOTUS CAPITAL LIMITED**

The “Lotus Health is Wealth Savings Plan” recently received a boost of \$250,000 technical assistance grant from the Innovation Grant managed by Enhancing Financial Innovation & Access (EFInA). The Plan is a dynamic non-interest, fixed income savings product which also offers health insurance. It is structured around monthly collections of deposits from customers which is then invested in non-interest, low-risk instruments, and non-interest fixed term investments to give customers returns on their savings.

Mrs. Adeola affirmed that the organization is dedicated to creating wealth ethically for clients; “Our firm belief is that with the right financial plan and education, everyone can and should improve the quality of their life. Through this project, we hope to encourage the development of an investment culture among the low income and financially excluded segment of the population”. Based on the EFInA Access to Financial Services in Nigeria 2014 survey, 16.8 million or 18% of adults are likely to take up non-interest banking products if they are readily available.



**Mrs. Hajara Adeola**  
*Managing Director Lotus Capital*

Source: <http://www.financialwatchngr.com/2016/07/27/efina-backs-lotus-capital-250000-grant/>



**JAIZ BANK PLC**

The Ag. Managing Director, Jaiz Bank plc Mr. Mahe Abubakar in an interview with the Nation Newspaper has re-iterated that Non-Interest Banking is open to all Nigerians. Speaking with the Assistant editor of the paper, Mr. Nduka Chiejina, he stated that there was a common misconception about non-interest Banking with some people calling it Islamic Banking with Islamic propagation. He clarified that Non-interest Banking is an alternative form of banking based on a principle of non-interest, sharing of risk and rewards, equity, fairness and Justice.

Mr. Abubakar went on to highlight that in the Banks 4th year of operation, it made a profit of 800 million, reduced its cost of running the bank by about 20% and has raised its deposit of by about 30% over the last 6 (six) months. According to him, the Banks target is to raise the capital base to N25bn before the year runs out.

**Mr. Mahe Abubakar**  
*Ag. Managing Director Jaiz Bank*

Source: <http://thenationonline.net/non-interest-banking-open-nigerians/>



**SPOTLIGHT: STRATEGY IMPLEMENTATION BY SERVICE PROVIDERS**  
**Major Financial Inclusion Milestones**

**BANK OF INDUSTRY**

As part of the Federal Government’s N500 billion social protection programme, the Bank of Industry (BoI) has started implementing the N140billion Government Enterprise and Empowerment Programme (GEEP) Fund.

In order to scale up its financial inclusion activities, the Bank plans to deepen its credit delivery process and strengthen its collaboration with foreign and domestic partners in-clusion community-based organizations. The Bank has also stated that it will continue to rev up its operations in support of government’s policies programmes as well as those of state governments that are BOI’s development partners.

Source: <http://thenationonlineng.net/boi-begins-n140b-scheme/>



**Mr. Waheed A. Olagunju**  
 Ag. Managing Director,  
 Bank of Industry



**Mr. Oye Hassan-Odukale**  
 Managing Director  
 Leadway Assurance Limited

**LEADWAY ASSURANCE LIMITED**

Leadway Assurance has taken up the challenge of advancing agricultural insurance in line with the agricultural insurance liberalization championed by the National Insurance Commission.

To give effect to this commitment; the firm in July 2016, convened the *Agricultural Risk Management and Risk Transfer Solutions Seminar* for farmers in Nigeria. Speaking at the Seminar, the Executive Director (General Business), Ms. Adetola Adegbayi noted stated that “Agric business you know is such that you are constantly faced with the risk of nature, anything can happen. So as a result of that, they (farmers) don’t really know so when they come to a loss position, they won’t know what to do because all their investments will be lost.”

Leadway Assurance is collaborating with Swiss Re because Swiss Re, a foremost Agric Insurer with 40 years experience in the field.

Source: <http://www.nigeriatoday.ng/2016/07/leadway-assurance-partners-swiss-re-to-promote-agric-insurance/>

**STANBIC IBTC PENSION MANAGERS LIMITED**

The company hosted the pre-retirement forum in Lagos and Abuja, through which specific steps were outlined to help people make a successful transition to the next stage of their lives and prepare for financially secured retirements.

Mr. Fajemisin noted that “The pre-retirement forum, which the firm launched three years ago, is part of initiatives aimed at encouraging retirement planning amongst Nigerian workers and employers.” The forum is targeted at both public and private sector retirees and seeks to ensure that the financial lives of Nigerians are secured, post-active service in different endeavours and enterprises.



**Mr. Eric Fajemisin**  
 Chief Executive Officer  
 Stanbic IBTC Pensions Limited

Source: <http://thenationonlineng.net/nigerias-future-guaranteed-pension-system/>



**Mr. Mike Ogbalu**  
 Divisional Chief Executive Officer  
 Interswitch Financial Inclusion Services

**INTERSWITCH FINANCIAL INCLUSION SERVICES (IFIS)**

IFIS has launched the “Quickteller Paypoint”, with a mandate to grow a network of agents to 150,000 by 2020 as well as increase the availability of digital financial services across the country. The Quickteller Paypoint agent business is open to Individuals, small to mid-size businesses and institutions, among others.

According to Mr. Ogbalu, "Beyond bridging the existing gaps in the adoption and availability of financial services for Nigeria's unbanked and under-banked population, Quickteller Paypoint will be creating sources of consistent and additional income for agents and invariably, help create levels of sustenance and economic balance for their families”.

Source: <http://worldstagegroup.com/index.php?active=news&newsid=30779&catid=25>





# Photorama



*Members of the Delegation from Uganda and Senegal during the Financial Inclusion knowledge exchange visit to Nigeria*



*Staff of the Central Bank of Nigeria at the CBN Cashless Card Expo*



*President, President, National Association of Microfinance Banks (NAMB), Mr Valentine Whensu at the 2016 Micro-finance Conference themed, "Emerging Trends in Micro-finance: Veritable tool for financial inclusion"*



*NYSC Corp members at the flag off of the YEDP training*



*Financial Institutions opening accounts during the CBN fair in Kogi State*



*UBA, MasterCard announcing Pan-African partnership across 19 countries*

***DIGITAL FINANCIAL INCLUSION******CBN, NCC collaborate to boost Mobile Financial Services***

*DG Operations, CBN Alhaji Suleiman Barau and Executive Vice Chairman, NCC Prof. Umar Danbatta during the courtesy visit*



*Executive Vice Chairman, NCC Prof. Umar Danbatta addressing the CBN delegation*

The Deputy Governor, Operations, Central Bank of Nigeria (CBN), Alhaji Suleiman Barau, has stressed the need to adopt measures to curb security breaches in the implementation of the Mobile Money Scheme (MMS) as well as strengthen the services of telecommunication companies in the country.

Alhaji Barau stated this in Abuja on Tuesday, June 7, 2016, when he paid a courtesy visit to the Executive Vice-Chairman, Nigeria Communications Commission, Engr. Prof. Umar Danbatta.

The Deputy Governor listed some of the challenges confronting the Mobile Money Scheme to include weak processes associated with SIM Swap that leaves customers vulnerable to fraudulent elements, high cost of

Unstructured Supplementary Service Data USSD by Deposit Money Banks (DMBs), lack of secured USSD Gateway for financial services and allocation of unique USSD Codes to licensed Payment Services Providers.

While noting that the challenges had adverse impact on mobile financial services and negated the national financial inclusion strategy, he said the telecommunication companies (TELCOs) played vital roles in the mobile money Service delivery value chain as the framework allowed the TELCOs to provide the infrastructure and the agent network to drive agent banking and mobile financial service. Alhaji Barau therefore called for greater collaboration between the financial and telecommunication regulators, urging the resuscitation of the CBN/NCC joint technical commit-

tee to enable inter-agency collaborations to address the challenges plaguing the mobile money operation and other financial service delivery.

In his response, the Executive Vice-Chairman, Nigeria Communications Commission NCC, Engr. Prof. Danbatta expressed the Commission's commitment to engage the CBN.

Prof. Danbatta assured that the NCC would work tirelessly and diligently to ensure that every challenge in the financial services is resolved. He also assured that the Commission would ensure the integrity of the gateway, which he declared would swing into action immediately to guarantee that the USSD gateway is adequately secured.

Source: [https://www.cbn.gov.ng/FeaturedArticles/2016/articles/CBN\\_NCC\\_BoostMobileFinancial.asp](https://www.cbn.gov.ng/FeaturedArticles/2016/articles/CBN_NCC_BoostMobileFinancial.asp)

***BVN Registration of Farmers under the CBN Anchor Borrowers Programme (ABP)***

On November 17, 2015, the Central Bank of Nigeria (CBN) flagged off the *Anchor Borrowers Programme (ABP)*. The programme is aimed at giving loans to farmers at a single digit interest rate and is anticipated to boost employment in the country and lift thousands of small farmers out of poverty. One of the requirements for accessing this loan is the Biometric Verification Number (BVN) registration of the farmers.

Effective July 20, 2016, all Deposit Money Banks are now required to make their branches available as BVN Registration Centers for farmers nationwide. Farmers can also visit the nearest CBN branch to register for their BVN.

Source: <https://www.cbn.gov.ng/Out/2016/BPSD/BVN%20REGISTRATION%20ON%20FARMERS.pdf>





## DIGITAL FINANCIAL INCLUSION

### *NeFF vows to protect Nigerian Payments Industry*



*Mr. Oladipo Fatokun*

*Chairman, NeFF/Director, Banking and Payment Systems Department, CBN*

The Nigerian electronic Fraud Forum (NeFF) has reiterated its commitment to continually protect the Nigerian payments industry, in spite of the activities of fraudsters that are bent on breaching the system.

This assurance was given by the Chairman of NeFF, Mr. 'Dipo Fatokun, who is also the Director, Banking and Payments System Department at the Central Bank of Nigeria (CBN), while speaking in Lagos at a meeting of the Forum and the unveil-

ing of its 2015 annual report tagged: 'NeFF: Improving and Securing the Cyber-Environment.'

Addressing participants, as well as users of the country's payments system of the safety of the system, Mr. Fatokun assured that the forum was committed to ensuring that the Nigerian payments industry not only remained protected from harm, but also continued to be a positive reference point whenever security of payment systems were discussed anywhere in the world.

Also speaking, shortly before unveiling the annual report, the Director, Consumer Protection Department at the CBN, Hajia Umma Dutse said that it had become imperative to sensitize consumers consistently in order to ensure their insulation from new and emerging threats in the payments system.

She disclosed that she and her colleagues were daily inundated with claims and counter-claims of fraud that accentuated how exposed and unprotected customers could be when they fail to observe the etiquettes that govern the use of e-payment products.

Different industry practitioners and technical partners made several presentations at the event all of which focused on the theme: 'The Deep Web and Its Impact on the Global Financial Industry.' The event also featured an overview of the Cyber-Crime Prohibition Act 2015.

The Nigerian electronic Fraud Forum was created as a body with a holistic approach to rein in on the menace of fraud and ensure the sustained confidence of customers in all e-payment mechanisms in the country. The aim of the body is centered on enabling information exchange and knowledge sharing on fraud issues amongst key stakeholders, with the objective of ensuring a collaborative and proactive approach to preventing or mitigating fraud and limiting occurrences. It is also to represent the industry position on fraud related issues, while proffering solutions that restore public confidence on card usage and electronic payments in general.

Source: <http://banknet.txtlstvw.aspx?LstID=37877f70-b3c2-473e-ac41-c71432d1dd51>

### *Central Bank of Nigeria holds biggest Cashless CardExpo in Africa*



*Panel discussion during the 2016 CBN Cashless Card Expo*

**The theme for this years' conference was Retail Payment & e-Commerce.**

The conference was opened with a keynote address by the Head of Shared Services Office, CBN, Mr. Chidi Umeano. in which he commended the momentous development in our payment systems and e-commerce platforms over the year especially since the inception of the Cash-Less Policy.

Mr. Umeano also reminded the stakeholders present of the need to do more to proactively enhance e-commerce in Nigeria while pledging the support of the CBN to engender the growth. He recognized Jumia, Konga, OLX and Jiji; and likened them to be as successful as Amazon, Alibaba and ebay if the are able to build an e-commerce domain whose service delivery will encompass efficacy, quality and thrust. He also highlighted the role of consumers towards the achievement of a robust e-commerce sphere in Nigeria.

The conference attracted Captains of Industries who gave various speeches / address at the conference.

Some of the Guest Speaker were Mrs. Chidinma Lawanson of EFINA (MD), Mr. Gunther Mull, CEO Dermalog, Germany, Country Manager, Visa International, Ade Ashaye and Mr. Ade Shonubi, MD Nigeria Interbank Settlement Systems Limited (NIBSS); amongst others.

At the expo, stakeholders were expected to have a section at the Exhibition Stand and the Central Bank of Nigeria was amongst the stakeholders who manned a booth during the 3-day exercise.

The CBN Stand included officers from Consumer Protection Department, Financial Inclusion Secretariat and the Shared Services Offices. These officers attended to participants questions and also enlightened them about the various initiatives of the Bank.

Other stakeholders manned various booths with each representing their company or organization. Some of the exhibitors were Fidelity Bank, NIBSS, Total, Dermalog, Secure ID, Unified Payment, Global Accerelex, VISA, Master Card, OLX, and many other payment solutions companies.

As part of the efforts of the Central Bank of Nigeria to promote Digital Financial Inclusion in Nigeria, the Bank in conjunction with Intermerc Consulting Ltd hosted the 2016 International CardExpo Conference at Eko Hotel, Lagos from the 14th - 16th of June, 2016.

The conference was a 3-Day event and attracted stakeholders from the Financial, Information Technology, Oil and Gas, Fraud Solution, Payment Solutions, Switches, and e-Commerce Industries plus other relevant stakeholders.





## CREDIT ENHANCEMENT SCHEMES

### CBN Governor flags-off YEDP Training for NYSC Corps members



Governor, Central Bank of Nigeria (CBN)  
Mr. Godwin Emefiele



Director-General, National Youth Service Corps (NYSC)  
Brigadier General Sule Zakari Kazaura



Managing Director, Heritage Bank,  
Mr. Ifie Sekibo

The Youth Entrepreneurship Development Programme (YEDP) was launched on March 15, 2016 with the aim of providing timely and affordable credit to assist youths in implementing their business ideas, thereby providing the mechanism of stimulating growth, reducing unemployment as well as addressing youth restiveness.

More than 10,000 youths applied to access the fund while 1,547 Corps scaled the rigorous selection process to emerge as the first batch of trainees in the pilot

phase of YEDP trainings across seven centres (Akwa Ibom, Enugu, Osun, Lagos, Plateau, Katsina and F C T ) .

The CBN Governor charged the trainees to YEDP to utilize the loans by engaging in productive ventures such as rice, cassava and tomatoes farming.

Also speaking, the Director-General, NYSC - Brigadier General Sule said

the YEDP was a milestone in the NYSC programme, coming at a time the economy was faced with serious challenges that could best be tackled by the promotion of private enterprise.

In his remarks, the Managing Director, Heritage Bank, Mr. Ifie Sekibo urged the successful Corps members to use this opportunity to realize their dreams by judiciously utilizing the funds.

Source: [http://www.cbn.gov.ng/FeaturedArticles/2016/articles/CBN\\_Gov\\_YEDP\\_NYSC.asp](http://www.cbn.gov.ng/FeaturedArticles/2016/articles/CBN_Gov_YEDP_NYSC.asp)



Mr. Aliyu Abdulbameed  
Managing Director, NIRSAL

### NIRSAL trains Bankers on Agriculture loans

commenced training of bankers on Agricultural financing in the country.

NIRSAL an initiative of the Central Bank of Nigeria (CBN), the Bankers Committee (BC) and the Federal Ministry of Agriculture & Rural Development (FMARD) was established to facilitate the flow of credit to agribusinesses and collaborate with Stakeholders to fix broken agricultural value chains in Nigeria.

Speaking in Kaduna during the opening ceremony of a 3-day workshop, the Executive Director, NIRSAL Plc. Mr. Aro Afejide, said that the capacity building

was organized to reduce the issues of distrust between farmers and bankers.

'We have a situation where bankers are not willing to finance small holders, real agric business people because they see the agric sector as a high risk business. Likewise, local farmers don't want to approach banks for loans' he said.

Mr. Afejide also mentioned that the training was looking to facilitate brainstorming with stakeholders to understand the risk involved and come up with a workable roadmap to overcome the potential risks within the sector.

The Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)

Source: <https://www.google.com/url?rct=j&sa=t&url=http://pulse.ng/local/cbn-apex-bank-trains-bankers-on-agric-loans->



## FINANCIAL LITERACY

### *Stakeholders hold planning and writing workshop to develop Financial Literacy curriculum for basic and senior secondary schools in Nigeria.*



*Hajjiya Khadija Kasim, Head of Consumer Education Division, (Consumer Protection Department), CBN addressing participants at the workshop*



*Group Photograph during the workshop*



*Interactive session during the planning and writing workshop*

The Curriculum Development Working Stream (CDWS) of the Financial Literacy Working Group (FLWG), in collaboration with the Nigeria Educational Research and Development Council (NERDC) convened the Planning and Writing Workshops for the Development of a Standalone Financial Education Curriculum for Basic and Senior Secondary Schools from Monday 11th to Saturday 16th July 2016.

The programme took place at the NERDC Conference Centre, Agidingbi, Ikeja Lagos. The workshop was attended by representatives from NERDC, Nigeria Stock Exchange (NSE), Bankers Committee—Sub Committee on Financial Literacy and Public Enlightenment (represented by Union Bank), Lynx Nigeria/Aflatoun International, MercyCorps, Federal Ministry of Education, PENCOM, NDIC, Content and Curriculum Development Experts and teachers from the Primary, Secondary and Tertiary levels of education.

The workshops were hosted and anchored by the NERDC (the statutory agency of government responsible for curriculum development for primary and secondary schools in Nigeria). The workshops are part of a series of the activities contained in the work-plan and they also signaled the commencement of the project for the development of financial education subjects for inclusion in the school curricular at basic and senior secondary levels. The project is jointly sponsored by financial regulators, Bankers committee, other financial institutions and the Nigerian Stock Exchange (NSE) with support from development partners and other stakeholders.

The purpose of the planning workshop which involved a thorough study, review and scrutiny of the various financial education materials and contributions at the disposal of the participants was to identify relevant areas that should form the content for financial education.

At the end of the planning workshop, the following themes were identified as the broad headings that would constitute the content for financial education in schools in Nigeria: Money, Savings, Planning and Budgeting, Financial Landscape, Entrepreneurship, Risks and Reward.

#### NEXT STEPS

- The critique and editorial workshops are scheduled to take place in August 2016 where a team of financial literacy, curriculum development and content experts as well as members of the CDWS would converge to review the draft curriculum. In line with NERDC's standard curriculum development procedure, participants at the critique and editorial workshops should largely be different from the participants at the planning and writing workshops. This is to enable an independent review and editing of the draft curriculum.
- Although the curriculum would be infused into existing career subjects, work is scheduled to commence towards developing a standalone career subject on financial education at senior secondary level where interested students may choose the subject and would be examined at the end of study during the final exams. This would be proposed to the Financial Inclusion Technical Committee to obtain their buy in.
- Also, subject to concurrence of the National Financial Inclusion Steering Committee, work would be done towards developing financial education as an independent course at tertiary level where degrees would be awarded in the field.





## FINANCIAL LITERACY

### *The Nigerian Stock Exchange Receives award for promoting Financial Literacy*

The Inaugural Financial Literacy Excellence (FILEX) Award held in May 2016 to celebrate and recognize leadership and innovations that promote financial literacy in Nigeria.

At the award ceremony, the Nigerian Stock Exchange received the corporate achievement award to a financial institution for its annual essay competition and investment education programmes in the capital market.

Speaking at the award ceremony, the head of DIN resource Centre Mr. Bola Fajemilurun stated that the award was aimed at celebrating the important work by individuals and organizations aimed at improving knowledge and awareness of financial matters among consumers. He noted that Financial literacy could only be achieved through targeted financial education initiatives and which must be grounded in a thorough understanding of the financial behaviors and attitudes of Nigerian consumers.

Mr. Bola Adeeko, Head, Corporate Services Division, NSE who received the award on behalf of the institution expressed the Exchange's appreciation, stating that financial literacy and investor education remain at the core of the corporate social responsibility strategy of the exchange.

He went on to assure Nigerians that the NSE will continue to ensure that investors and the citizenry are equipped with the right knowledge to enable them take sound investment decisions. One of the major vehicles for this he noted is the annual Essay Competition of the NSE which is in its 16th year. It has inspired over 20,000 young people in over 7,000 secondary schools across Nigeria to showcase what they have learned about financial and capital markets.

According to him, in 2015 alone, the exchange held over 180 free financial literacy workshops across the federation reaching over 17,000 people. The workshops are aimed at enhancing in-



*Mr. Bola Adeeko, Head, Corporate Services Division, NSE (2nd left), with other Awardees at the event*

vestor understanding of the basics of capital market investment.

Other winners at the event included *Financial Literacy for All*, a non-governmental organization, received the Corporate Achievement Award in the Non-Financial Institutions category. *The Enterprise Development Centre* (an affiliate of the Lagos Business School), won the Innovation Award while Ms. Sola Salako, won the individual winner for the Consumer Champion category.

Source: <http://www.thisdaylive.com/index.php/2016/06/06/nse-receives-award-for-promoting-financial-literacy/>

### *Online Financial Literacy Tools: #FinLitChallenge*



In collaboration with VISA, Co-creation Hub Nigeria launched the Financial Literacy Challenge in 2013 to spur innovation around technology tools to help Nigerians take better financial decisions and as well as educate the youth on financial matters.

The under-listed online tools were developed through the challenge and are available for download and use:

**Money Talks:** audio tutorial solution platform where users can access relevant

financial tutorials in Igbo, Yoruba, Hausa and Pidgin English using SMS, a voice interactive system and web.

**More than Money Game:** digital and local adaptation of the Community Board Game used by Junior Achievement Nigeria to educate school children on important money making decisions.

**Street Tinz:** turn-based, visual financial decision-making game, educating players on financial decision-making and attendant

*Access the financial literacy tools online at: <http://cclubnigeria.com/flc/>*



### SPECIAL INTERVENTIONS FOR VULNERABLE SEGMENTS

## 8 million Nigerians to benefit from Federal Government's Social Protection Programme

In a presentation titled 'Investing in our People' delivered at a workshop on National Social Protection Policy Framework by Federal Ministries, Departments and Agencies (MDAs), Mrs. Maryam Uwais, Special Adviser to President Muhammadu Buhari on Social Investment declared that no fewer than 8.4 million Nigerians will benefit from the Federal Government's Social Protection Intervention project.

Mrs. Uwais revealed to participants at the workshop that the intervention project aimed to target 500,000 graduates and 100,000 non-graduates jobs to train unemployed graduates as teachers, and non-graduates as artisans under the N -Power programme. She also stated that 5.5 million pupils would be targeted under the School feeding for primary school children from foods locally sourced from within the country.

She said that direct cash transfers of N5,000 monthly is targeted at one million beneficiaries in poor vulnerable households across

the country "We are targeting 1.66 million beneficiaries for financial inclusion and access to credit for market women, artisans, women cooperatives, youth and farmers under the GEEP

While acknowledging that Non-Governmental Organizations and numerous donor agencies had implemented a number of social protection programmes in the country in the past, Mrs. Uwais stated that they had not been successful due to 'weak synergy' between the Federal Government and states.

She however stated that the Social Protection Intervention Office was domiciled in the Office of the Vice President to ensure effective monitoring and evaluation and standardized delivery mechanisms. She stated that the office would fulfill its social role to citizens through co-ordination and the development of sustainable and transparent delivery systems that would ensure the harmonization of the various programmes.



**Mrs. Maryam Uwais**  
Special Adviser to the President on Social Investments

Lastly, she highlighted that the Federal Government has budgeted N500 billion for social investment programmes in the 2016 budget to uplift Nigerians from poverty and economic hardship.

Source: <http://www.vanguardngr.com/2016/06/8m-nigerians-will-benefit-fgs-social-intervention-project-presidency/>

**THE 6 SOCIAL PROTECTION PROGRAMMES**  
There are 6 social protection programmes of the Buhari administration for which funds have been allocated in the 2016 budget.

**THESE ARE**

- 1** **TEACH NIGERIA**  
500,000 graduates would be hired as teachers.
- 2** **YOUTH EMPLOYMENT & EMPOWERMENT**  
Between 300,000-500,000 youths would go through skills acquisition and vocational training.
- 3** **THE CONDITIONAL CASH TRANSFER**  
One million extremely poor Nigerians will receive N5000 monthly this year.
- 4** **HOMEGROWN SCHOOL FEEDING**  
One meal a day would be served to public primary school children across the country.
- 5** **FREE EDUCATION FOR TERTIARY EDUCATION**  
100,000 students of Science, Technology, Engineering and Mathematics would have access to free education.
- 6** **MICRO-CREDIT SCHEME**  
N60,000 one time soft loans would be given to market women, and artisans.

Source: <http://thenewsnigeria.com.ng/2016/05/buhari-formally-launches-n500b-social-protection-programme/>





## SPECIAL INTERVENTIONS FOR VULNERABLE SEGMENTS

### Lagos State Governor Launches N500m Disability Trust Fund

In line with Section 12 of the Special People’s Law, the Lagos State Governor Mr. Akinwunmi Ambode has launched a N500million Disability Trust Fund for physically-challenged persons.

In his remarks, Governor Ambode called on individuals, corporate organizations, non-governmental organisations, and other stakeholders to support the fund to reduce the challenges of persons with disabilities.

He also stated that the impression most people have about per-



*Governor Akinwunmi Ambode at the Launch of the Lagos State Disability trust Fund*

sons with disabilities often result in discrimination against them, noting that it is high time Nigerians began to embrace them as part of the society.

Governor Ambode enjoined persons with disabilities to remember that Physical disability is not inability and should not be seen as an inhibition from achieving something positive in life.

He lauded the theme of the event stating that it told the right story – “Ability in Disability”.

Lastly he stated that people with disability have special skills and talents which if properly harnessed will make a huge difference not only in their lives, but to the society.

Other highlights of the event included special performances by several groups from Pacelli School of the Blind, Kelly Blind, Sugar Band led by Akin Akinloye, veteran saxophonists, Kunle Ajayi and Yemi Sax, among others.

Source: <http://thenationonline.net/ambode-launches-n500m-disability-trust-fund-2/>

### Mercy Corps, MasterCard Target 18,000 Women in Financial Inclusion Strategy

In June 2016, Mercy Corps and MasterCard organized a stakeholders meeting to share experience among key players working to promote financial inclusion for youth across Nigeria.

Speaking at the forum, the Country Director, Iveta Ouvry stated that Mercy Corps and MasterCard have a target to register 18,000 young girls in Nigeria to receive a National eID card which would help provide them with access to their first formal identity and basic financial services.

The project will connect young women with re-

sources and education to boost their financial literacy, leadership skills and economic opportunities.

Under the landmark initiative, over 2,000 young women have gone through the Mercy Corps/ MasterCard programme while more than 6,000 participants from across Mercy Corps programmes have been registered for the multi-functional eID card. About 100 participants have already received their card.

The Vice president and Area Business Head, West Africa of MasterCard also spoke at the meeting stating that his institution had come to the realization that to truly em-

power impoverished communities here in Nigeria and around the world it is important to empower women through financial inclusion.

According to the World Bank, only 47% of women worldwide have access to formal financial

institutions, compared to 51% of men, and more than 1.3 billion women are excluded from the formal financial system.

This initiative will seek to include more Nigerian women in the formal financial system.



*Nigerian Woman trained by Meryy Corps on entrepreneurship*

Source: <http://allafrica.com/stories/201606271208.html>



## FINANCIAL INCLUSION STAKEHOLDER ENGAGEMENT

### *Financial Inclusion Secretariat holds interactive session with Diamond Bank on Financial Inclusion*



*Group Photograph*



*Interactive session during the meeting*

The Financial Inclusion Secretariat hosted an interactive session with Diamond Bank following a request by the Bank to share their financial inclusion activities.

The session held on June 24, 2016 and had in attendance the Diamond Bank Financial Inclusion team, representatives of Women's World Banking, various CBN Departments and the Financial Inclusion Secretariat.

During the session, the Head of the Financial inclusion Secretariat, Mrs. Temitope Akin-Fadeyi delivered a presentation on the overview of the National Financial Inclusion Strategy in Nigeria highlighting projects and initiatives of various stakeholders towards implementation of the strategy. She also provided the following key highlights;

- The high cost of providing needed services to excluded groups and the need to imbibe cashless initiatives as a sustainable alternative.
- The need to tailor product development efforts to the needs of the customers and various segments.
- The need for innovativeness and openness in attempts to cater to

the broad range of services required by customers.

In response, Ms. Jennifer McDonald—Director, Product Development of Women World Banking (WWB) highlighted their partnership with the Diamond Bank in advancing financial inclusion for women, as a priority segment.

On his part, Mr. Kayode Olubiyi, Financial Inclusion Lead, of Diamond Bank went on to deliver a presentation on the financial inclusion initiatives of Diamond Bank, highlighting the following;

- The Diamond Bank Beta product had recorded significant success and after 3 years, (2016) became profitable for the bank. The bank had over 1,000 agents working from over 200 branches and reaching to the unbanked with savings accounts acquisition and usage.
- Diamond Bank focuses on serving the poor, using appropriate analytics and lending algorithms. In partnership with the telecommunication firm, MTN, they are able to analysis the credit history of the customer.
- That there was significant market

opportunity for growing micro-loans through the Know Your Customer (KYC) Tier 1 account procedures. However, there was a need to further review the technicalities of appropriate loan amounts, given the account threshold.

- That there was tremendous opportunity afforded by electronic platforms with the Telcos that are able to process up to 50,000 loans a day even during the weekends.

At the end of the session, Diamond Bank representatives highlighted the potentials of enhancing the Biometric Verification Number (BVN) process for field data capture as a means of increasing customer acquisition.

The Head, Financial Inclusion Secretariat thanked participants for attending the interactive session and reaffirmed the Bank's commitment to providing an enabling environment for financial inclusion.

She also noted that appropriate stakeholder consultations would be made to review highlighted issues, in furtherance of the implementation of the National Financial inclusion Strategy in Nigeria.





## **FINANCIAL INCLUSION DATA MANAGEMENT**

### **5-year Financial Inclusion Target setting exercise with Deposit Money Banks**

In order to scale up the achievement of the strategy targets, the Bankers' Committee at its 325<sup>th</sup> meeting of February 11<sup>th</sup>, 2016, approved for Representatives of Fidelity, Diamond, Sterling and Union Banks to work with the Financial Inclusion Secretariat to develop a 5-year (2016 - 2020) target breakdown for all Deposit Money Banks (DMBs).

To give effect to this mandate, the following initiatives were undertaken:

- The Financial Inclusion Secretariat met with the Ad-Hoc Committee (Fidelity, Diamond, Sterling and Union Banks) and relevant Departments of the Central Bank of Nigeria to come up with a proposal for the exercise. Background assumptions were derived for further engagement with the Heads of Corporate Strategy and Financial Inclusion Leads of all DMBs.
- Review Meeting held with the DMBs Heads of Corporate Strategy and Financial Inclusion Leads, along with the Ad-hoc Committee on the Target Setting Exercise. The key focus was to present the proposed targets, revise assumptions and deliberate on way forward on the assignment of individual DMB targets.
- Follow up Review Meeting held with the Ad-Hoc Committee, in line with the engagement, suggestions and feedbacks from the DMBs Heads of Corporate Strategy and Financial Inclusion Leads.
- Revised targets and assumptions shared with all DMBs for final input, ahead of the presentation to Bankers' Committee.
- The Banker's Committee at its 327<sup>th</sup> meeting held on June 9<sup>th</sup>, 2016 approved the targets for all Deposit Money Banks.

All DMBs are expected to articulate and share their implementation plans with the Financial Inclusion Secretariat, towards the realization of the set targets. Appropriate monitoring & evaluation frameworks are under-development in this regard.

### **Sample Audience Polls on financial inclusion during the Target Setting Exercise with DMBs**

<b>In your own opinion, what is the greatest challenge to digital financial services in Nigeria?</b>	<b>36%: Low literacy and numeracy of the customer population</b> <b>29%: Poor internet and mobile phone infrastructure</b> <b>29%: Lack of trust in mobile payment systems</b> <b>7%: Lack of basic income for many people</b>
<b>Do you believe agent banking can significantly increase your customer base?</b>	<b>90%: Yes – it can help me grow customers rapidly</b> <b>6%: Not sure – I don't understand agent banking</b> <b>3%: No – agent banking is not good for attracting customers</b>
<b>Since establishing a full-fledged Bank branch may be expensive, would you rather opt for a mini branch manned by few staff?</b>	<b>61%: Very likely – absolutely, it is the way to go!</b> <b>22%: Likely – sounds like a potential plan</b> <b>13%: Not likely – I am not interested in this</b> <b>4%: Fairly likely – I may be open to this</b>
<b>Does your bank have existing products specifically targeted at the mass market/excluded segment?</b>	<b>76%: Yes, definitely</b> <b>24%: No, but we have to develop one</b> <b>0%: No, not interested</b>
<b>How equipped are your staff/sales force to serve the mass market/excluded population?</b>	<b>52%: Not well equipped, but we are willing to develop them to serve this segment</b> <b>39%: It's part of our current marketing strategy</b> <b>4%: Not our forte, we serve other segments</b> <b>4%: Maybe we will develop them for this segment in the future</b>



## *Nigerian Financial Inclusion News*

### Senate Task CBN On Financial Inclusion



At a recent senate meeting, a directive was given to the Central Bank of Nigeria to take proactive measures to enhance financial inclusion through increased rural banking and financial services in disadvantaged states and local governments within the next year.

The Senate also directed the committee on banking, insurance and other financial institutions and industries to liaise with the relevant federal government Ministries and agencies to prioritize financial inclusion by designing suitable programmes and strategies to extend the current frontiers of financial inclusion to cover all region and segment of the society

The resolution came through a motion sponsored by Sen Mustapha Bukar (Kastina North).

For more information visit: <http://leadership.ng/business/530554/senate-task-cbn-financial-inclusion>

### *Stanbic IBTC, Google partner on digital inclusion in Nigeria*



Stanbic IBTC Bank says it is collaborating with Google to train youths and Small and Medium-Scale Enterprises (SMEs) operators in Nigeria on digital skills. A statement issued by the bank recently said that the collaboration would facilitate capacity-building for SMEs in the country, adding that beneficiaries would be trained on skills and value of digital marketing.

It said that the training would also help entrepreneurs to strengthen their businesses and support digital education initiatives geared toward job creation. "By organizing the capacity building sessions in different parts of the country, the partners hope to build critical mass of businesses through increased adoption of digital technology and enhance their contributions to economic development".

For more information visit: <http://punchng.com/stanbic-ibtc-google-partner-digital-inclusion-nigeria/>

### *EFInA grants U.S \$1.5 million to Diamond Bank*

Enhancing Financial Innovation & Access (EFInA), has announced the release of \$1,500,000 (421, 500, 00) Innovation Grant to support Diamond Bank's Diamond Y'ello, 'Winning the North' project to boost financial inclusion to unbanked individuals nationwide.



Diamond Y'ello is a mobile based savings account launched by Diamond Bank in partnership with MTN to make financial services easily accessible for individuals excluded from the formal banking ecosystem and the project allows customers with active MTN lines to open a bank account with Diamond Bank from the convenience of their homes.

The EFInA Innovation Grant will enable Diamond Bank target and extend facilities to prospective customers in Northern Nigeria - Federal Capital Territory (FCT), Kano, Kaduna, Katsina, Kogi, Kwara and Borno States.

For more information visit: <http://allafrica.com/stories/201607071048.html>

### *Bank of Industry signs MoU with Ecobank on MSMEs Financing/Capacity Building*



In its bid to boost financial inclusion as well as access to funding and business support for MSME entrepreneurs in the country, the Bank of Industry (BoI) has agreed to partner Ecobank Transnational Inc.

Speaking at the Memorandum of Understanding (MoU) signing ceremony, the Group Executive, Consumer Banking, Ecobank Group, Patrick Akinwutan said the choice of BoI for this partnership was reached because the Development Financial Institution has a track record of driving access to finance for MSMEs in Nigeria.

He added that both partners had already leveraged on technology to drive access to their services and this partnership would further deepen penetration of financial services.

Ag. MD/CEO, Bank of Industry, Mr. Waheed Olagunju, added that financial inclusion was crucial to the economic development of the country and that BoI would take advantage of this partnership to provide financial support and capacity building for Nigerian SMEs to serve both local and foreign markets.

For more information visit: <http://footprint2africa.com/boi-signs-mou-ecobank-msmes-financing-capacity-building/>





## *International Financial Inclusion News*

### **World Bank launches programme to spur financial inclusion in Ghana**

The World Bank Launched the Ghana Digital Financial Services programme – a five-year programme to improve financial inclusion of Ghana's population by increasing access to low cost financial services. Speaking at the launch, Millison Narh—Deputy Governor, Bank of Ghana stated that financial inclusion had been identified as critical to achieving inclusive sustainable economic growth and development.



Mr. Narh while expressing gratitude to the development partners for their continuous support for Ghana to promote a financially inclusive society, stated that the 2015 global Findex revealed that Ghana has made significant progress in promoting financial inclusion since the previous survey with the proportion of the adult population using formal financial services rising from 29.4 per cent in 2011 to 40.5 per cent in 2014.

The Consultative Group to Assist the Poor (CGAP) and the International Finance Corporation (IFC) of the World Bank, collaborated to design and execute the programme with a sponsorship from Switzerland's State Secretariat for Economic Affairs (SECO). Mr Ivo Germann, Head of Operations, SECO, said mobile financial services programmes have proven to be an effective tool to promote financial inclusion, because it is cost effective, and allows for scale by building on existing platforms even in poor and remote areas.

For more information visit: <https://www.ghanabusinessnews.com/2016/06/10/world-bank-launches-programme-to-spur-financial-inclusion-in-ghana/>

### **Ericsson and Rwandan Government collaborate on financial inclusion**



Ericsson (NASDAQ:ERIC) and the Ministry of Finance and Economic Planning for Rwanda have signed a breakthrough agreement for the launch of a national interoperability switch based on the Ericsson M-Commerce Interconnect solution.

The solution will enable financial and payments services providers in the country to connect to one common platform for seamless and real-time payment transactions. This agreement represents another step in Ericsson's commitment to building the necessary global infrastructure for a new open digital economy.

The agreement supports the Government of Rwanda's objective to create a digital economy and drive greater financial and social inclusion for its society and citizens. Ericsson's Rwanda Interconnect Switch (RIS) will connect financial and payment services providers within the country and enable end-users to enjoy, in real time, a range of digital payments possibilities across all financial platforms and service providers.

For more information visit: <http://www.nasdaq.com/press-release/ericsson-and-rwandan-government-collaborate-on-financial-inclusion-20160513-00067#ixzz4Fnu20KuT>

### **Worldremit allows instant overseas transfers to MTN Mobile Money in cote d'ivoire**

Digital money transfer service WorldRemit – the UK's fastest-growing technology firm and MTN Cote D'Ivoire have launched instant international remittances to MTN Mobile Money wallets in Cote D'Ivoire.



In a country where 85% of adults lack bank accounts, MTN Mobile Money plays a vital role in supplying innovative and suitable financial services to the needs of the population. It allows Ivorians to securely store, send and receive money, pay for electricity and other bills, set up a savings account and access a range of other financial products, with just their phones, in Cote D'Ivoire and its sub-region.

With the WorldRemit app, the Ivorian diaspora can now send overseas money transfers to any MTN Mobile Money wallet in Cote D'Ivoire – with a few simple taps. This means people in Cote D'Ivoire can now receive vital remittance payments on their phones or at any of the 10,000 nearest MTN money transfer agents as cash.

For more information visit: <http://mobilemoneyafrica.com/content.php?id=2829>

### **Ghana's banks close ranks against telcos**



Wary of telecommunication service providers growing interest in offering financial services, Bankers in Ghana are demanding a review of the provision of financial services by telecommunication service providers. Speaking to the press, Managing Director of CAL Bank, Frank Adu Jr, noted that a clear policy is required to determine the extent to which local telcos can roll out financial products and engage with customers on solution choice.

The industry insiders both reference a recent attempt by one of the country's six telcos to offer loan services to mobile users, and describe the move as being contrary to the Central Bank's E-money Issuers Guidelines and not a part of any financial inclusion drive

For more information visit: <http://www.ghanaweb.com/GhanaHomePage/business/Ghana-s-banks-close-ranks-against-telcos-442292>



## International Financial Inclusion News

### Deepening Insights on Financial Exclusion Risks



In 2011, the G20's Global Partnership for Financial Inclusion (GPFI) released a white paper with recommendations on international standard-setting and financial inclusion of the poor. The paper highlighted the need to deepen understanding of financial exclusion risks, especially in relation to financial integrity and stability. It also argued for a stronger empirical basis to enable global financial Standard-Setting Bodies (SSBs) to reflect these risks properly in proportionate standards and guidance.

According to FATF, When consumers are excluded from the formal financial system and, consequently, use informal services in the opaque cash economy, clear risks emerge. For the Financial Action Task Force (FATF), the key SSB responsible for financial integrity, undocumented cash-based transactions tend to escape measures aimed at anti-money laundering (AML) and combating of financing of terrorism (CFT). In fact, cash inadvertently improves the cover for criminal activities.

Regulators, particularly in poorer countries, often grapple with trade-offs relating to financial exclusion risks. These questions arise for example when features and control measures of products targeting the poor are considered, especially when the national crime or terrorism risk levels are high. The current debates around appropriate financial services for undocumented refugees in Europe illustrate the complexity of the questions policymakers in developed economies also face when confronted with vulnerable, excluded individuals.

For more information visit: <http://www.cgap.org/blog/deepening-insights-financial-exclusion-risks>



### Mobile Money growth threatens traditional banking

One of Zimbabwe's leading advisory firms says robust growth in technology based payment platforms poses a serious threat to the earnings of already frail traditional banks. The banking industry 2015 review and outlook released by invictus securities reveals that mobile money subscribers had doubled since March 2013, translating into a surge in the volumes of technology based payments but posing 'a threat to traditional banking'.

Fees and charges have become a major revenue earner for banks as they grow increasingly cautious on lending, their traditional source of income.

Invictus securities have stated that they foresee continued growth in mobile banking as it provides easy access to banking services. This they say poses a threat to traditional banking through reduced transactional volumes and as a result decreased retail services fee. It said retail banking would face even more problems as mobile money is projected to record phenomenal growth in Zimbabwe, under pinned by a financial inclusion strategy announced by the Reserve Bank of Zimbabwe in March.

For more information visit: <http://www.newzimbabwe.com/business-29398-Mobile+money+growth+threatens+banks/business.aspx>

### How banks de-risking can undermine development

Correspondent banking – an essential service for international banking – has been on the decline in recent years. The trend has strong development impacts for small countries, particularly in the Caribbean

The Panama Papers may have cast a glaring light on the risky side of international banking, but another trend has been unfolding that also carries potentially grave consequences for global finance and development.

Some of the world's largest financial institutions have been reporting a steep drop in the services and transactions that they process for smaller local and regional banks around the world.

The severing of these ties poses a number of risks to the growth and development of businesses in affected regions – particularly island states in the Caribbean who rely heavily on international banking – and undermines the type of financial inclusion that regional development banks work to promote

For more information visit: <https://www.devex.com/news/how-banks-de-risking-can-undermine-development-88227>



### Number of Unique Mobile Subscribers in Africa Surpasses Half a Billion, Finds New GSMA Study

More than half a billion people across Africa are now subscribed to mobile services as the continent continues to migrate rapidly to mobile broadband networks, reveals a new GSMA study.

The report finds that there were 557 million unique mobile subscribers<sup>1</sup> across Africa at the end of 2015, equivalent to 46 per cent of the continent's population, making Africa the second-largest – but least penetrated – mobile market in the world. Africa's three largest markets – Egypt, Nigeria and South Africa – together accounted for around a third of the total subscriber base. The number of unique mobile subscribers is forecast to reach 725 million by 2020, accounting for 54 per cent of the expected population by this point.

The new report 'The Mobile Economy: Africa 2016' is authored by GSMA Intelligence, the research arm of the GSMA. To access the full report and related infographics, please visit: <http://www.gsma.com/mobileeconomy/africa/>.

For more information visit: <http://www.businesswire.com/news/home/20160725005396/en/Number-Unique-Mobile-Subscribers-Africa-Surpasses-Billion>





## PUBLICATION

### *Lessons Learned Providing Financial Products to the Unbanked and Under-banked*



Enhancing Financial Innovation & Access (EFInA) is a financial sector development organization that promotes financial inclusion in Nigeria. Established in 2007, EFInA's mission is to make the Nigerian financial system work better especially for the poor. EFInA achieves its mission through four pillars; Research, Innovation Fund, Advocacy and Capacity Building. EFInA is funded by the UK Department for International Development (DFID) and the Bill & Melinda Gates Foundation.

EFInA's flagship Innovation Fund is comprised of two types of grants:

- (1) *Technical Assistance Grants*: short term grants to pilot and test new financial products and services.
- (2) *Innovation Grants*: provided to launch, implement, and scale up financial products/services that have already been tested and piloted.

The referenced publication highlights the lessons learned from EFInA's grantees and are reflective of the experiences of the market operators within the financial services industry in Nigeria.

#### **Keep an eye on the value for agents**

Determine the right amount in agent commission that would motivate the agent in the specific locations across the country.

#### **Enhance Customer Experience**

Companies that know and enhance their customers' experience have an advantage over companies that neither know how customers experience their products nor innovate to enhance that experience.

#### **To offer financial products through a digital channel, selecting the use case is crucial**

Mobile money allow workers and other recipients in remote locations easier access to their salaries.

#### **Converting processes from manual to digital is profitable**

In order to profitably serve the mass market, some level of digitization is imperative, with positive impact on better customer service.

#### **Build the agent network before launching the customer campaign**

In kicking off a new project in new territory, agents' presence must precedes customer awareness campaigns

#### **Benefit from insurance products should focus on the living**

Insurance products with greater uptake are those that care for customers in the eventuality of ill health, adverse effects on their business, livestock, etc.

Notably innovations include Interactive Voice Response (IVR) for agents that provide voice prompts in local languages for less literate agents.

#### **Develop a sustainability plan and an exit strategy**

A poorly executed project termination can ruin the brand of an organization within the financial sector. The way a product is discontinued might be more important than the way it is introduced



*The Financial Inclusion Secretariat is the coordinating body for the implementation of the National Financial Inclusion Strategy in Nigeria.*

*The Secretariat is a liaison for all stakeholders in the Financial Inclusion space and is responsible for engaging, coordinating and evaluating initiatives geared towards the achievement of the Strategy targets.*

*This newsletter is a quarterly publication by the Financial Inclusion Secretariat and features industry news on financial inclusion as well as periodic updates on the progress of the implementation of the Strategy.*

*For further enquires and submission of articles for publication, please contact:*

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