

According to the World Bank Identification for Development (ID4D) initiative, an estimated 1 billion people globally do not have an officially recognised means of identification (ID), with the problem most prevalent in low-income countries (LICs).

In Nigeria, Africa's largest and most populous economy, despite a significant acceleration in enrolment over the last 12 months, and a strong strategy and plan to achieve ID inclusion for every Nigerian, there remains significant work to do. The Nigerian Identity Management Commission (NIMC) had enrolled more than 63 million Nigerians with National Identity Numbers (NIN) by August 31st 2021, up from 42 million in October 2020 and clear evidence of progress, but a significant proportion of Nigerians still remain without a form of formal ID and the majority of them live below the World Bank's definition of the poverty line.

Africa Practice's Inclusion for All programme is focused on understanding and removing the barriers that prevent the poorest and most vulnerable populations from participating in the formal economy, and in particular, accessing financial services. Identity ownership is a critical requirement for participation. It enables access to government services, access to the financial system and free movement.

To build a deeper understanding of the linkages between poverty, identity ownership and financial inclusion, Africa Practice is conducting a series of pieces of research to deepen the knowledge and evidence base available to policy makers and implementers. This first snapshot, captures our initial findings from a deep dive into the Access to Finance Survey Dataset compiled bi-annually by Enhancing Financial Innovation and Access (EFInA).

To provide credible market information on the Nigerian financial sector, Enhancing Financial Innovation & Access (EFInA), the financial sector development organisation promoting financial inclusion in Nigeria, launched an initiative to study the demand for financial services in Nigeria in 2008. The Access to Financial Services in Nigeria survey (A2F), conducted from 2008 - 2020, is designed to assess all Nigerians' access to and use of financial services and identify opportunities to promote financial inclusion.



**OF THE 59 MILLION UNBANKED ADULTS IDENTIFIED BY THE A2F SURVEY IN 2020, 73% DID NOT HAVE THE DOCUMENTATION REQUIRED TO OPEN A TIER 3 BANK ACCOUNT**

OUR RESEARCH SUPPORTS THE EFInA FINDINGS, BY CLEARLY DEMONSTRATING A LINEAR CORRELATION BETWEEN POVERTY AND IDENTITY OWNERSHIP. **THE POORER YOU ARE, THE LESS LIKELY YOU ARE TO HAVE ID.**

PPI Cutoff	PPI Probability Category	No of respondents with National ID within Probability Category	No of respondents within Probability Category	% of respondents with National ID within Probability Category
Above Poverty Line	0.00	122	146	84%
Above Poverty Line	3.50	224	297	75%
Above Poverty Line	7.10	562	803	70%
Above Poverty Line	19.10	632	974	65%
Above Poverty Line	32.10	1176	1849	64%
Above Poverty Line	49.20	1241	2133	58%
Below Poverty Line	44.90	1479	2803	53%
Below Poverty Line	63.00	1756	3449	51%
Below Poverty Line	75.50	1539	3458	45%
Below Poverty Line	78.50	1659	3804	44%
Below Poverty Line	87.50	1414	3234	44%
Below Poverty Line	92.50	1149	2624	44%
Below Poverty Line	96.40	974	2233	44%
Below Poverty Line	97.50	440	1149	38%
Below Poverty Line	110.00	146	451	32%
<b>Total</b>		<b>14513</b>	<b>29407</b>	<b>49%</b>

The Poverty Probability Index (PPI) is a poverty measurement tool that captures a household's characteristics and asset ownership, which are scored to compute a household's likelihood of living below the poverty line. The tool is integrated into assessments and strategic decision-making to aid organisations and businesses with a mission to serve the poor.

**IDENTITY AS A BARRIER TO FINANCIAL INCLUSION**



**MORE PEOPLE REFERENCED LACK OF ID AS THE REASON THEY COULD NOT OPEN A BANK ACCOUNT IN 2020**

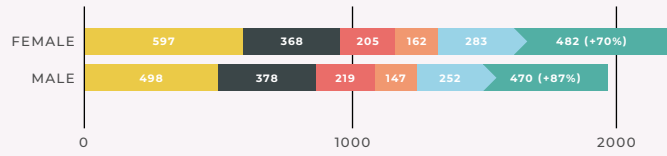


**THE NUMBER OF PEOPLE REFERENCING LACK OF ID AS THE REASON THEY COULD NOT ACCESS CREDIT INCREASED BY 509% BETWEEN 2018 AND 2020.**

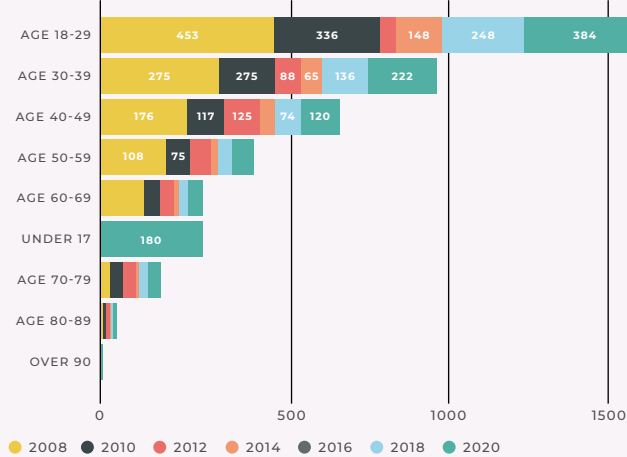
**WHAT PROPORTION OF PEOPLE INDICATED THEY DID NOT OPEN A BANK ACCOUNT BECAUSE OF NO ID DOCUMENT?**

● 2008 ● 2010 ● 2012 ● 2014 ● 2016 ● 2018 ● 2020

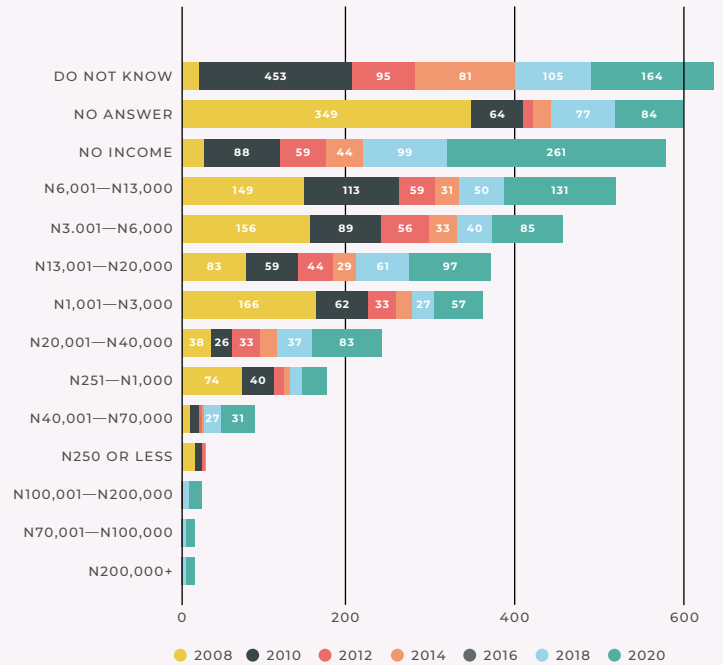
NUMBER OF RESPONDENTS BY GENDER & SURVEY YEAR



NUMBER OF RESPONDENTS BY AGE & SURVEY YEAR



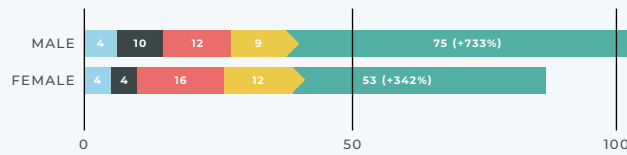
NUMBER OF RESPONDENTS BY INCOME BAND & SURVEY YEAR



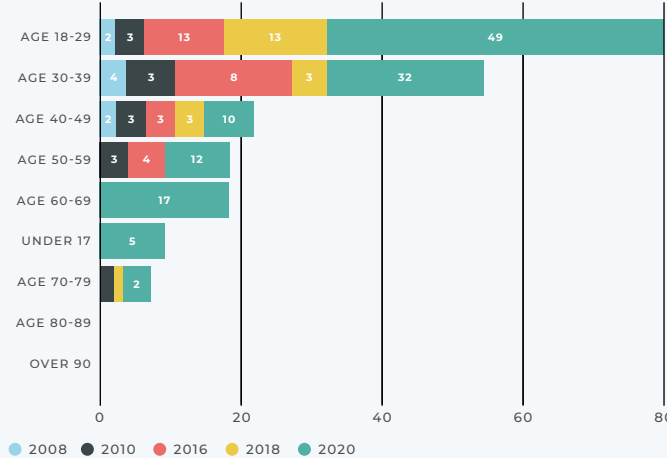
**WHAT PROPORTION OF RESPONDENTS INDICATED THAT THEY DID NOT BORROW MONEY BECAUSE OF NO ID?**

● 2008 ● 2010 ● 2016 ● 2018 ● 2020

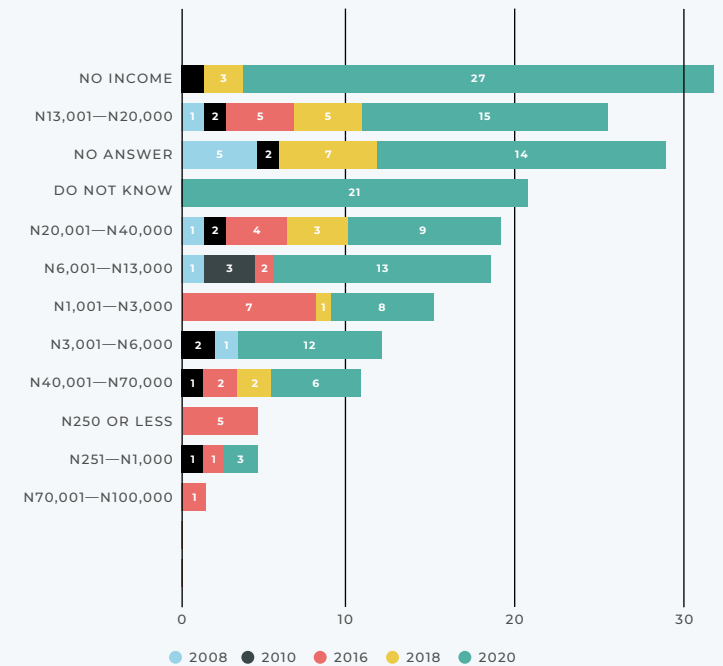
NUMBER OF RESPONDENTS BY GENDER & SURVEY YEAR



NUMBER OF RESPONDENTS BY AGE & SURVEY YEAR



NUMBER OF RESPONDENTS BY INCOME BAND & SURVEY YEAR



*As Nigeria accelerates NIN enrolment efforts, targeted interventions are required to overcome the barriers that marginalised populations face in accessing ID and the services that are unlocked by its ownership, to ensure that the benefits of inclusion can be accessed by all.*

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