Leveraging Mobile to Accelerate Digital Identity Ecosystems:
Considerations for Policymakers in Africa

THE GSMA

Has represented the interests of mobile operators worldwide for more than

30 YEARS

Unites more than

750

mobile operators

with almost

400

companies in the broader mobile ecosystem

Convenes more than **200,000** people annually from across the globe to **industry-leading** events

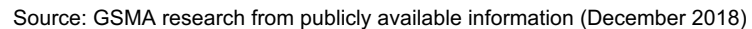Focuses on activities where collective action can deliver significant benefits
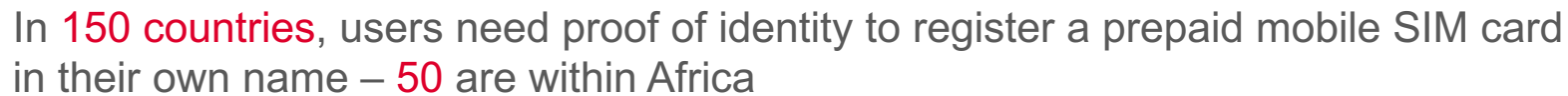
Led the mobile industry to formally commit to the Sustainable Development Goals

Mobile has reached **more than 5 billion subscribers** worldwide and with **866 million mobile money** registered accounts in **90 countries**

In 150 countries, users need proof of identity to register a prepaid mobile SIM card in their own name – 50 are within Africa

SIM registration status

- Registration not mandatory
- Registration Mandatory
- Registration Mandatory with Biometrics
- Being Considered
- Inconclusive Data or No Data Available

Source: GSMA research from publicly available information (December 2018)

Yet up to **1 billion people** lack the means to meet proof of identity requirements →
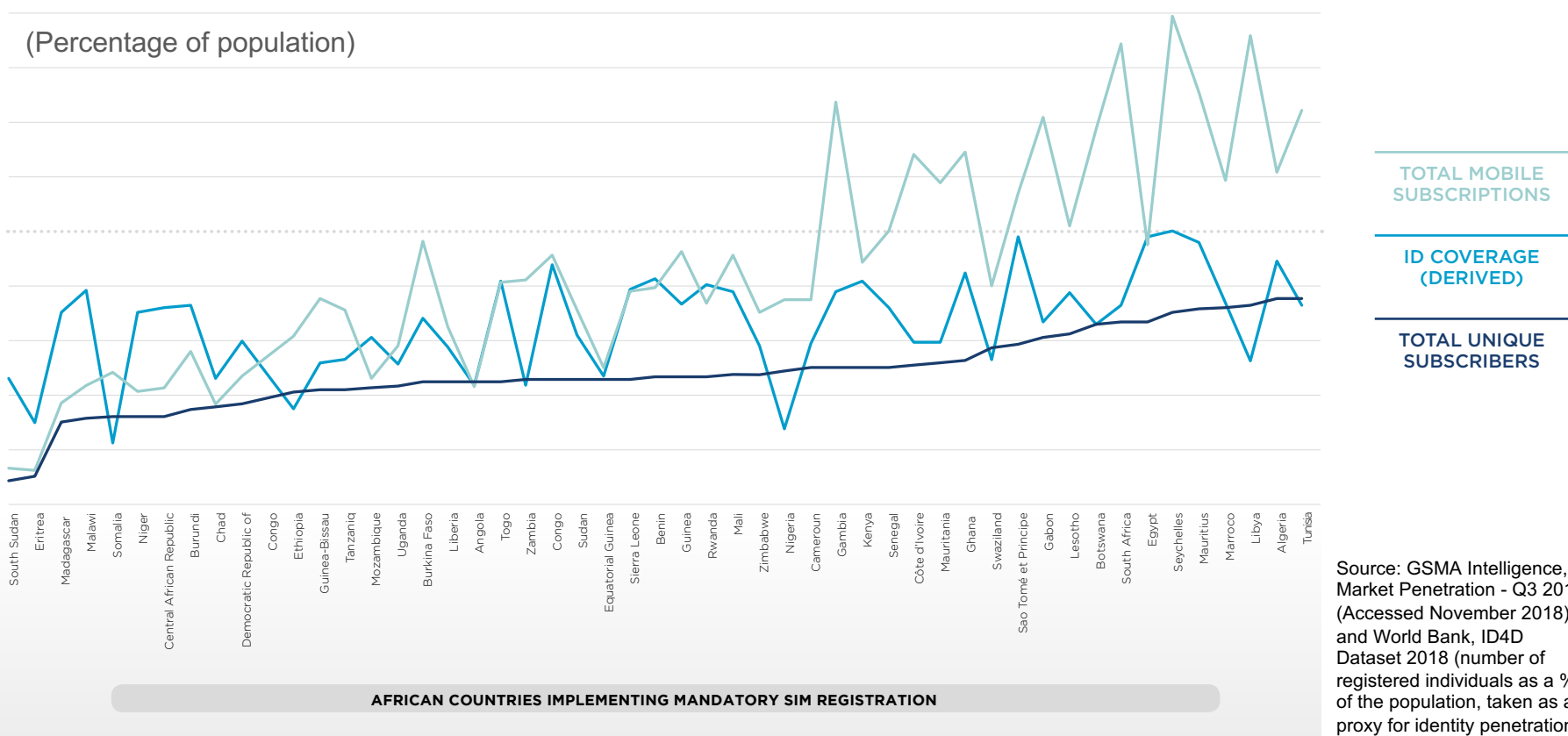unable to access mobile services <u>in their own name</u>

ID penetration %

- 0–30
- 31–50
- 51–70
- 71–90
- 91–100
- Inconclusive Data or No Data Available
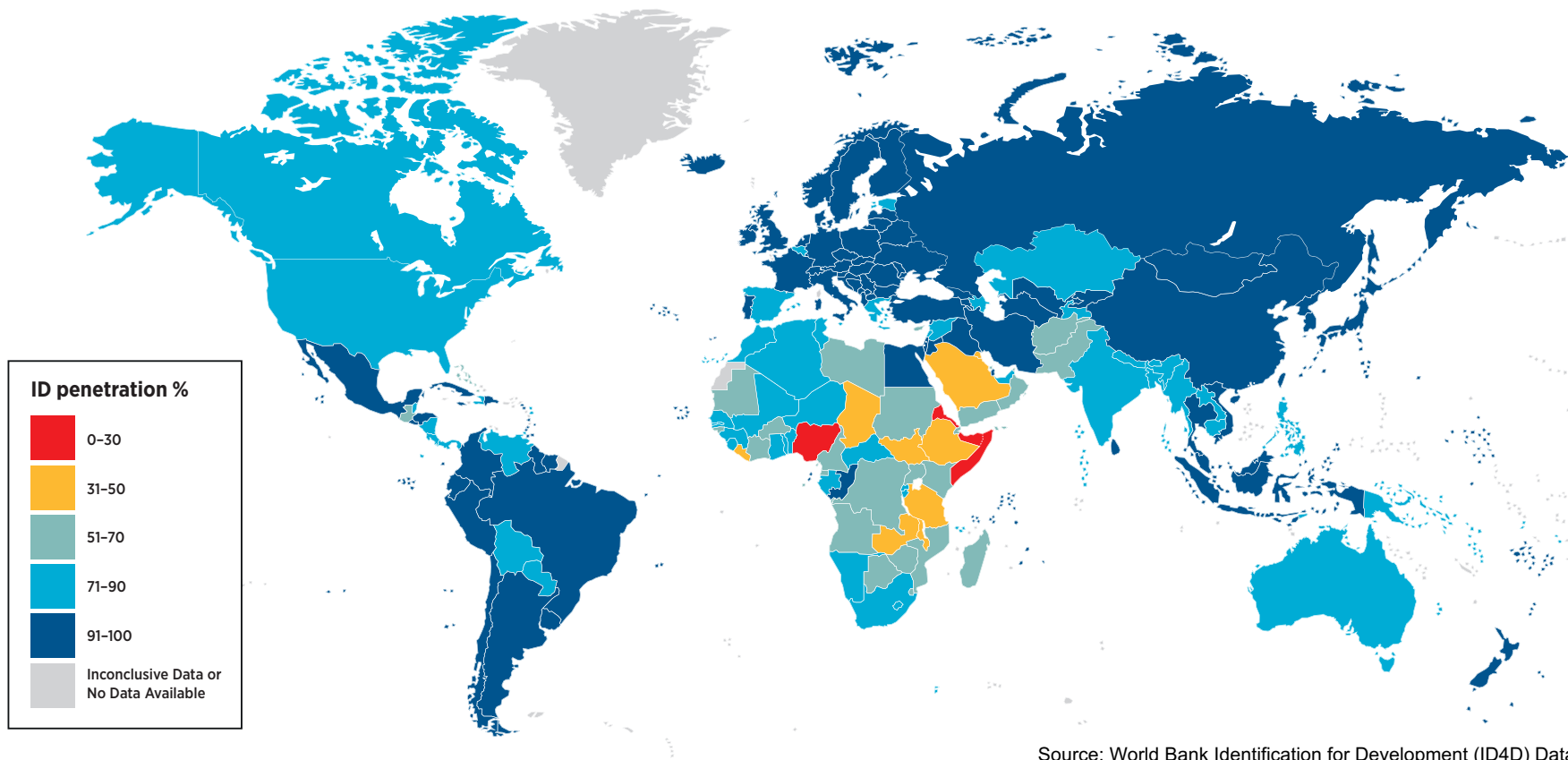
Source: World Bank Identification for Development (ID4D) Dataset, 2018

There is a direct link between identification coverage and mobile penetration across African countries where mobile SIM registration is legally mandated

(Percentage of population)

TOTAL MOBILE SUBSCRIPTIONS

ID COVERAGE (DERIVED)

TOTAL UNIQUE SUBSCRIBERS

AFRICAN COUNTRIES IMPLEMENTING MANDATORY SIM REGISTRATION

Source: GSMA Intelligence, Market Penetration - Q3 2018 (Accessed November 2018) and World Bank, ID4D Dataset 2018 (number of registered individuals as a % of the population, taken as a proxy for identity penetration)

Applying for a SIM card and mobile services is the most common use of National ID

Gender disaggregated responses to 'Have you ever used your national ID card to do any of the following?'

Bar chart:

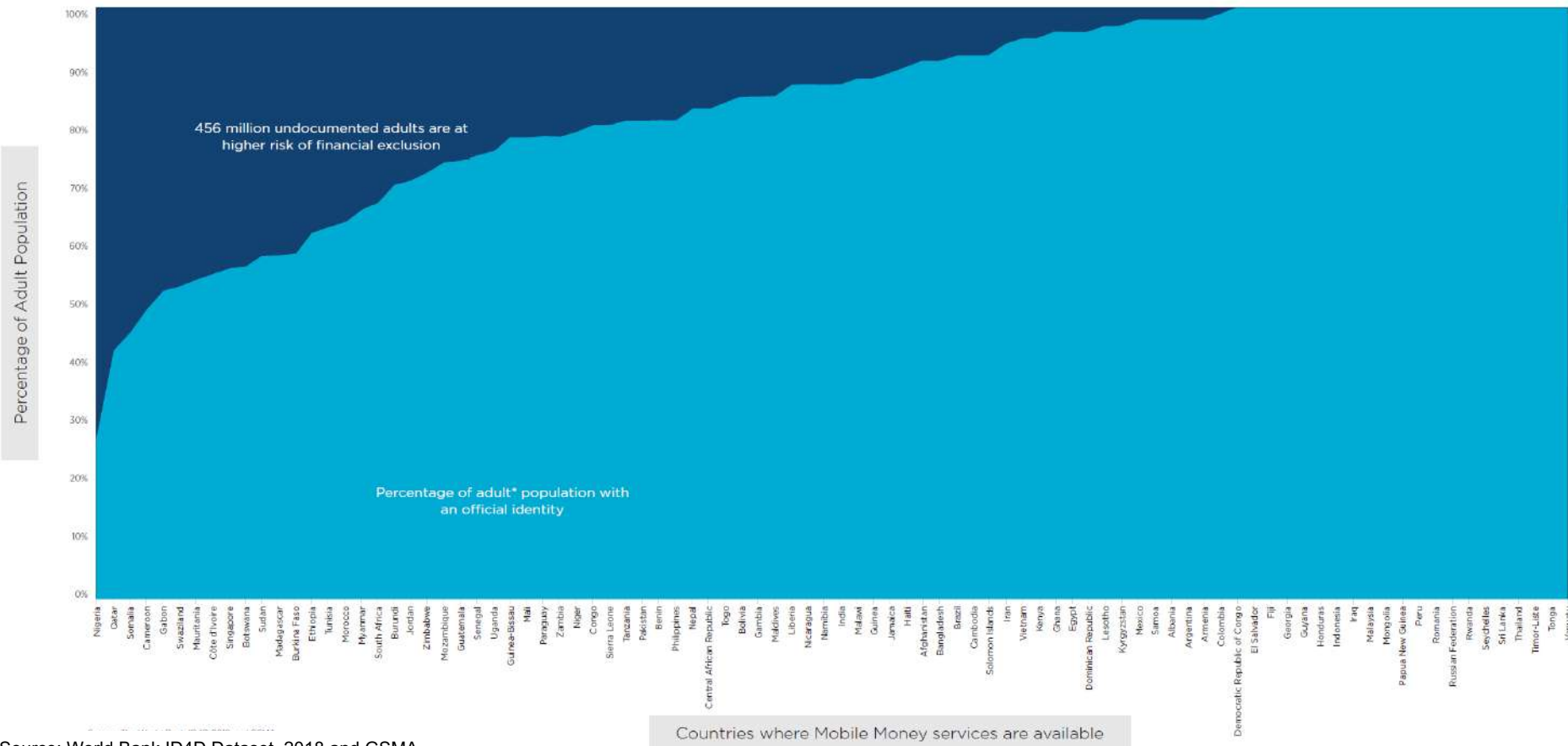| Category	women	men
To apply for a SIM card/ mobile services (%)	48%	59%
To use financial services (%)	39%	44%
To access government services (%)	34%	37%
To receive government financial support (%)	20%	18%
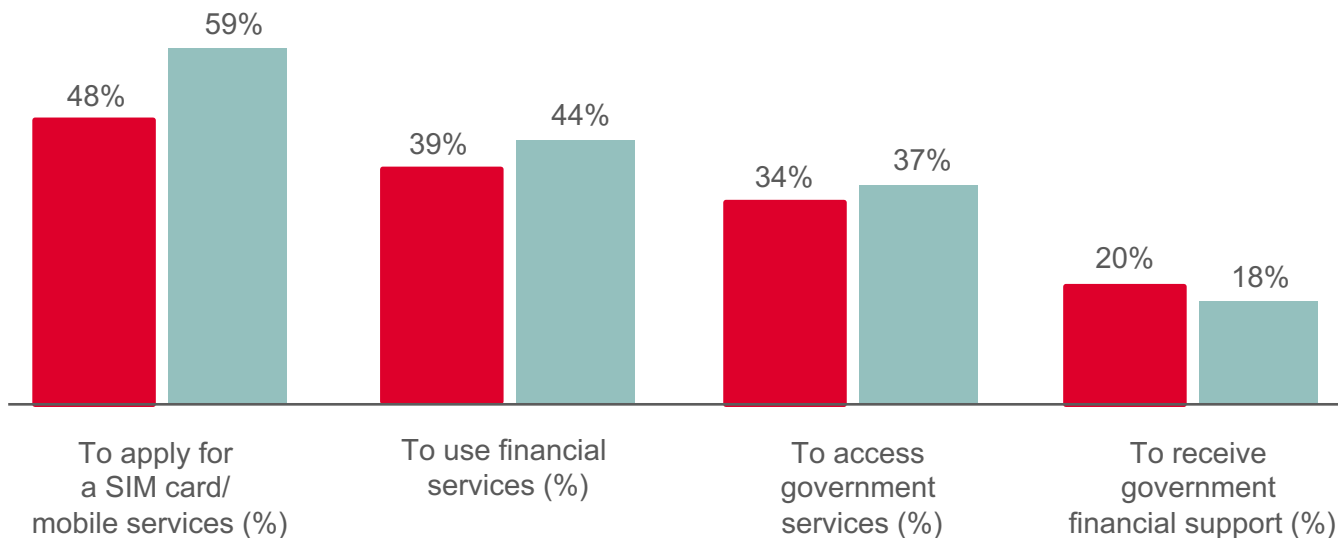
Sample: 100,000 people in 97 countries

■ women ■ men

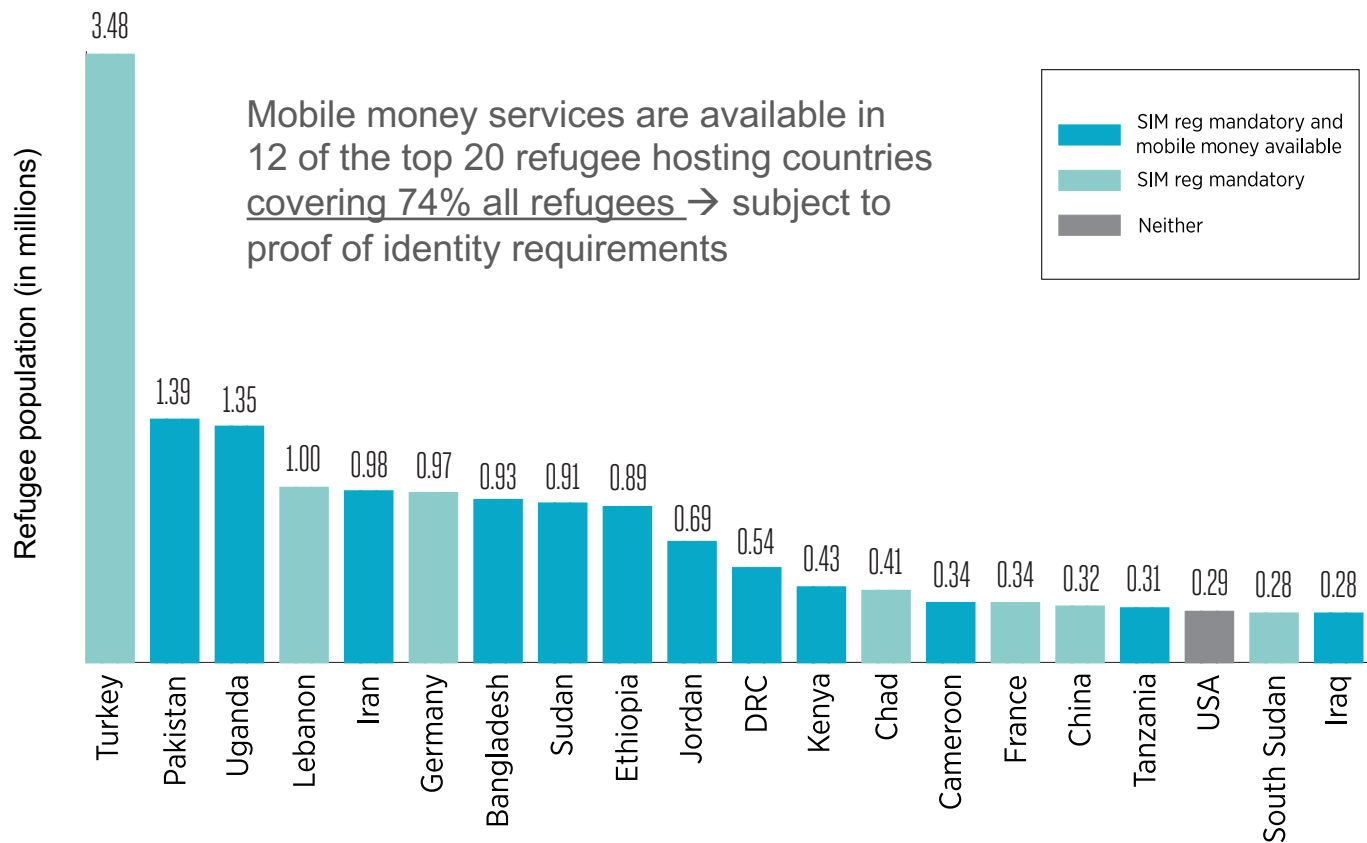But…the risk of financial exclusion is (also) significant as undocumented people are unable to open bank or mobile money accounts – even where these are available

456 million undocumented adults are at higher risk of financial exclusion

Percentage of adult* population with an official identity

Percentage of Adult Population

Countries where Mobile Money services are available
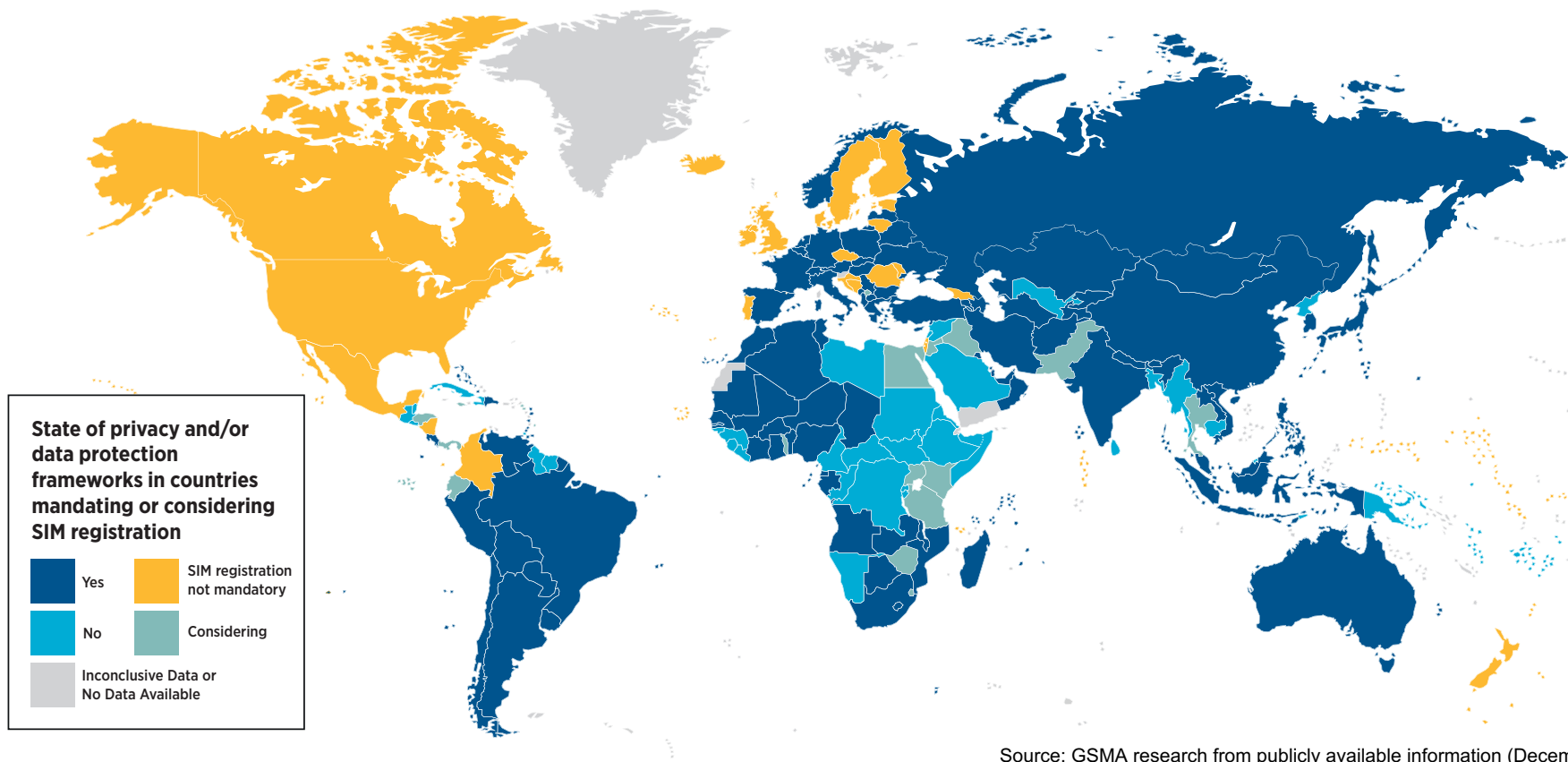
Source: World Bank ID4D Dataset, 2018 and GSMA

Refugees and other Forcibly Displaced Persons are disproportionally impacted by proof of identity requirements that fail to cater for their own circumstances

GSMA

Mobile money services are available in 12 of the top 20 refugee hosting countries <u>covering 74% all refugees</u> → subject to proof of identity requirements

Legend:
- SIM reg mandatory and mobile money available
- SIM reg mandatory
- Neither

Refugee population (in millions)

Country	Value
Turkey	3.48
Pakistan	1.39
Uganda	1.35
Lebanon	1.00
Iran	0.98
Germany	0.97
Bangladesh	0.93
Sudan	0.91
Ethiopia	0.89
Jordan	0.69
DRC	0.54
Kenya	0.43
Chad	0.41
Cameroon	0.34
France	0.34
China	0.32
Tanzania	0.31
USA	0.29
South Sudan	0.28
Iraq	0.28

Source: GSMA and UNHCR

TRUST is crucial – yet only **54%** of African countries mandating SIM registration **have a comprehensive privacy** and/or data protection framework

State of privacy and/or data protection frameworks in countries mandating or considering SIM registration

- Yes
- No
- Inconclusive Data or No Data Available
- SIM registration not mandatory
- Considering

Despite the absence of privacy laws in many countries people's privacy expectations are high. Appetite for identity-linked digital services is high if there is tangible benefit

Key conclusions from GSMA research on mobile user privacy perspectives and behaviours in four African markets (Ghana, Zambia, Rwanda, Mozambique)
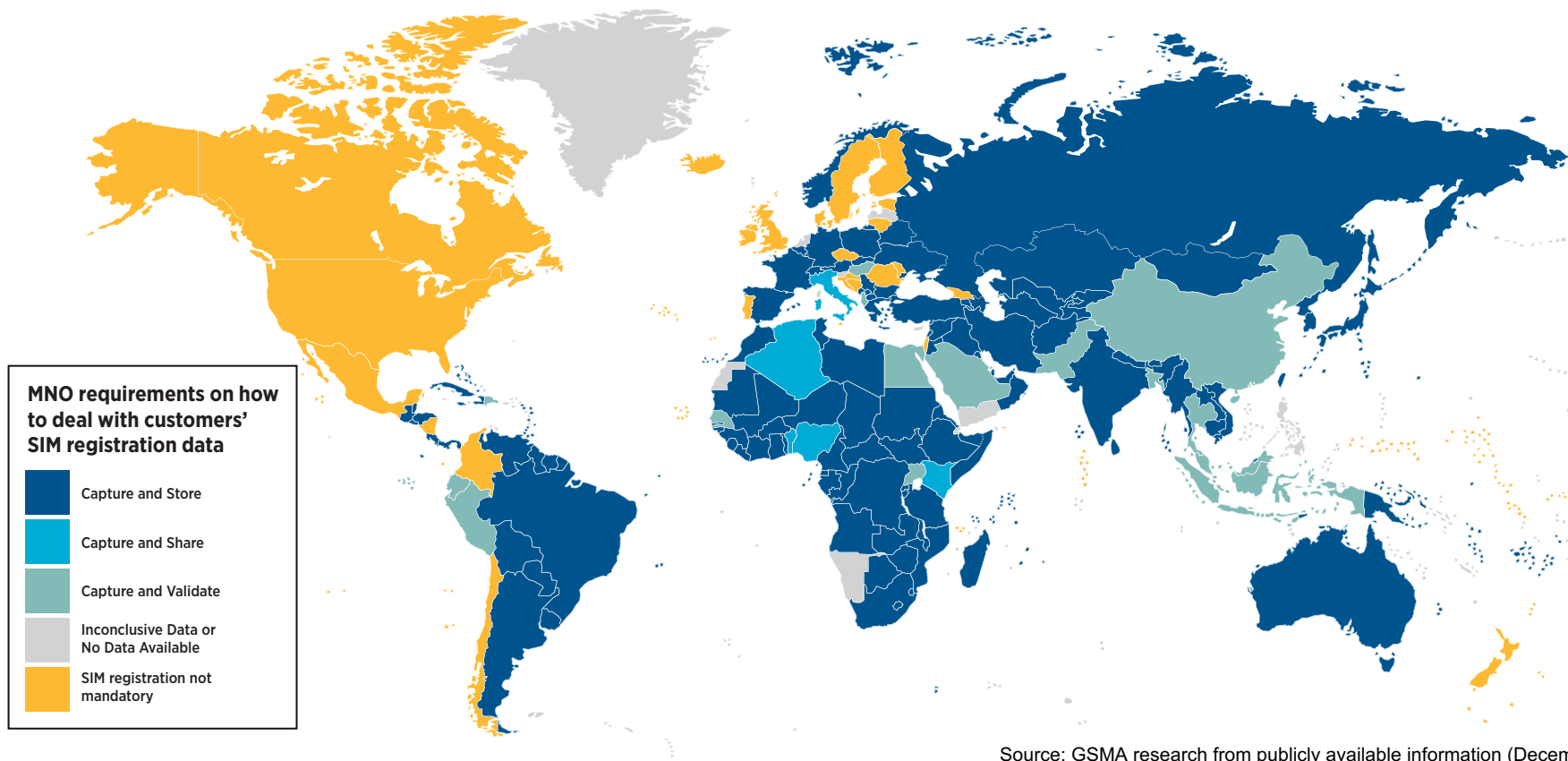
- **Whilst the existence (or lack) of a privacy/data protection law** may not be understood by all mobile-users – the overwhelming majority expect their privacy and data to be protected

- **There was consensus that such l**aws may operate 'behind the scenes': they're not top of mind; **but they're important as they provide support and protection if needed**;

- **Despite perceived privacy concerns, people's behaviour around sharing personal data is predominantly associated with the value derived from a service**: Regardless of country, or presence of laws: the vast majority were content **to use identity-linked digital services** (including from MNOs) if there was a tangible benefit (i.e. if they valued the service).

E.g.

- Receiving government SMSs about health campaigns, cholera outbreaks (Zambia);
- Linking a mobile number to a government profile, for digital access (Zambia; Rwanda); and
- Linking a mobile number to bank account, for bank updates via SMS (Mozambique).

Only 11% of countries empower mobile operators to validate users' identity credentials against a central government database / token

MNO requirements on how to deal with customers' SIM registration data

- Capture and Store
- Capture and Share
- Capture and Validate
- Inconclusive Data or No Data Available
- SIM registration not mandatory

Source: GSMA research from publicly available information (December 2018)

MNOs can play various roles in accelerating digital identity ecosystems

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UK aid from the British people

SUPPLY SIDE PROBLEM

1 billion people have no formal identification.

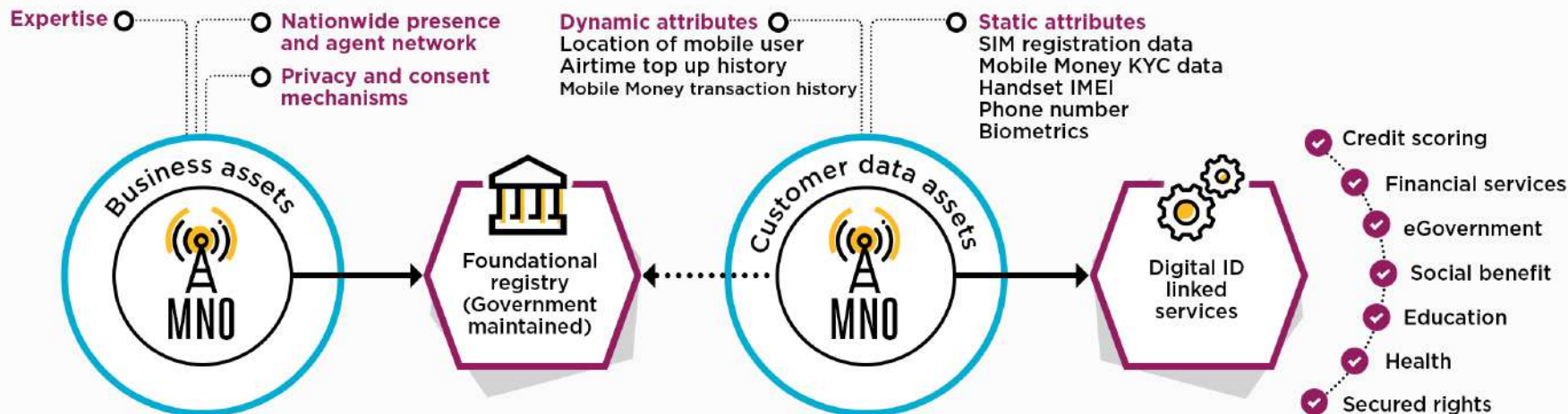Underserved populations are unable to access life-enhancing digital services.

DEMAND SIDE PROBLEM

Access & inclusion → Digital Transformation → Enhanced livelihoods

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Expertise

Nationwide presence and agent network

Privacy and consent mechanisms

Dynamic attributes
Location of mobile user
Airtime top up history
Mobile Money transaction history

Static attributes
SIM registration data
Mobile Money KYC data
Handset IMEI
Phone number
Biometrics

Business assets
MNO

Foundational registry (Government maintained)

Customer data assets
MNO

Digital ID linked services

- ✓ Credit scoring
- ✓ Financial services
- ✓ eGovernment
- ✓ Social benefit
- ✓ Education
- Health
- Secured rights

Digital ID enrollment as government partner → ✓ Verification → 🔒 Authentication → Authorisation

Key policy considerations for building and leveraging **digital identity** ecosystems to support **digital and financial inclusion via mobile** platforms

Pro-active engagement between Financial & Telecoms Regulators, Ministries of Interior and National ID Authorities needed to:

Expand coverage / accessibility of foundational digital ID → Consider partnering with MNOs
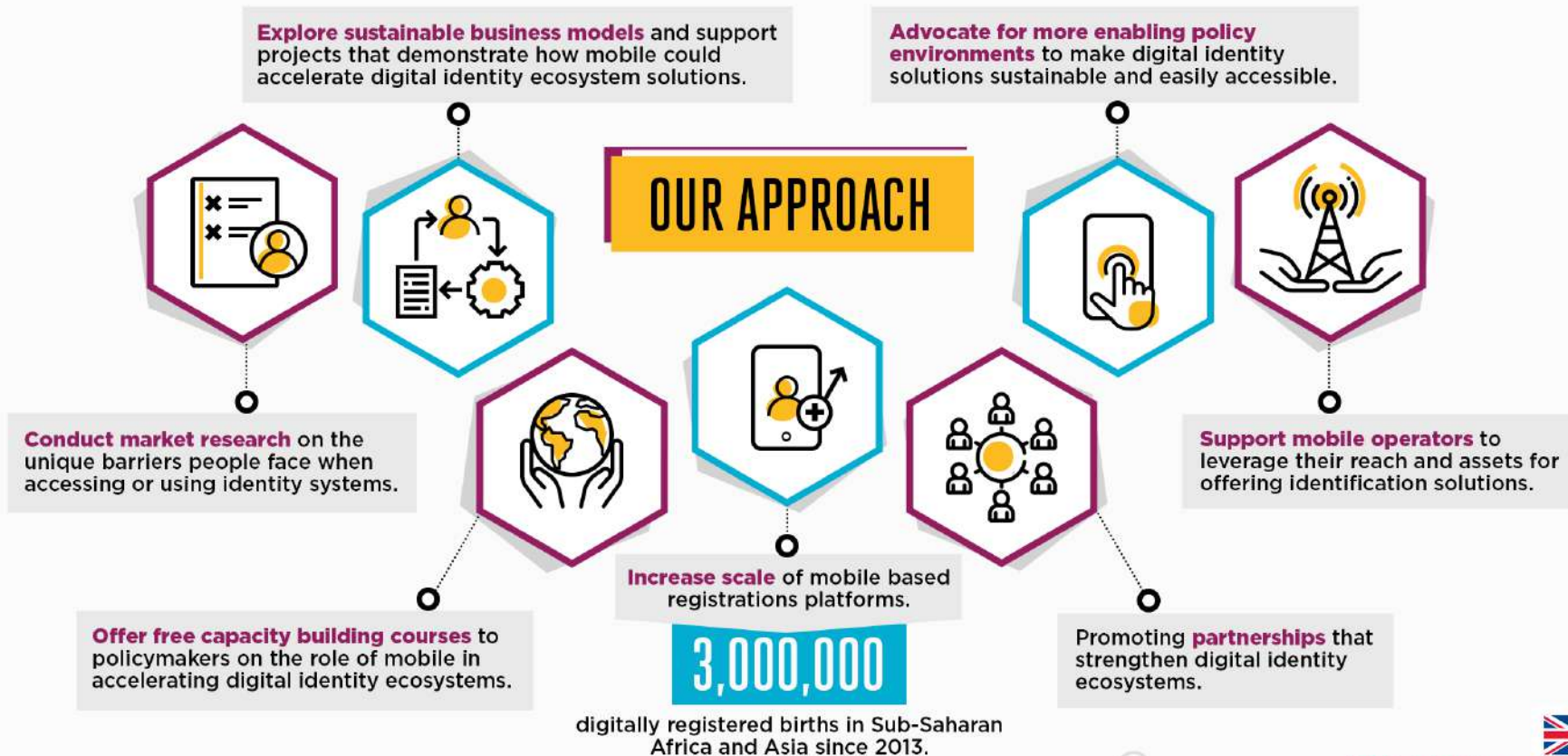
Harmonise identity-related KYC for MFS with SIM registration requirements

Improve reliability by enabling MNOs & MFS to validate customers' ID credentials

Promote digital literacy and services that will **drive demand** for digital ID registrations

Build trust e.g. through appropriate privacy frameworks

DIGITAL IDENTITY PROGRAMME

OUR APPROACH

Explore sustainable business models and support projects that demonstrate how mobile could accelerate digital identity ecosystem solutions.

Advocate for more enabling policy environments to make digital identity solutions sustainable and easily accessible.

Conduct market research on the unique barriers people face when accessing or using identity systems.

Support mobile operators to leverage their reach and assets for offering identification solutions.

Offer free capacity building courses to policymakers on the role of mobile in accelerating digital identity ecosystems.

Increase scale of mobile based registrations platforms.

3,000,000

digitally registered births in Sub-Saharan Africa and Asia since 2013.

Promoting **partnerships** that strengthen digital identity ecosystems.

www.gsma.com/digitalidentity

UKaid
from the British people

Thank you!

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