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The Multiplier Effect of Digital ID and Financial Inclusion in Lesotho

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Kingdom of Lesotho



NICR VISION & MANDATE

- In 2009 the Government of Lesotho established the National Identity and Civil Registry (NICR) Department within the Ministry of Home Affairs.
- Prior to this, aspects/elements of Civil Registration were covered under three different Ministries (Local Government & Chieftainship, Law and Health)
- Between 2009 and 2013, Government realigned functions, **enacted enabling laws**, recruited senior Management Team and designed an integrated Civil Registration and Identity System
- On the 3rd June 2013, the Official Launch of the System

Vision & Mandate of NICR therefore was:

- Create a *unique identity* for all citizens and Non Citizens holding indefinite residence permit.
- Establishment and maintenance of National Identity Register (NIR). (Population Register)
- Assignment of unique identity numbers.
- Issuance of national identity cards.

LEGAL FRAMEWORK

- Registration of **Births and Deaths Act 1973**

Act NO 22 of 1973

- **Marriage Act 1974**

Act NO 10 of 1974

- **Laws of LEROTHOLI**

- **National Identity Cards Act, 2011**

- **S 16** No person who is eligible to have an identity card shall access all services unless the person produces his or her identity card issued in terms of this Act.
- **Access to the NIR** permitted in terms of Section 6 (2) (c) (i) and (ii) of National Identity Cards Act, 2011
- **Confidentiality of information (MOU, NDA etc.)**

- **Child Protection and Welfare Act, 2011**

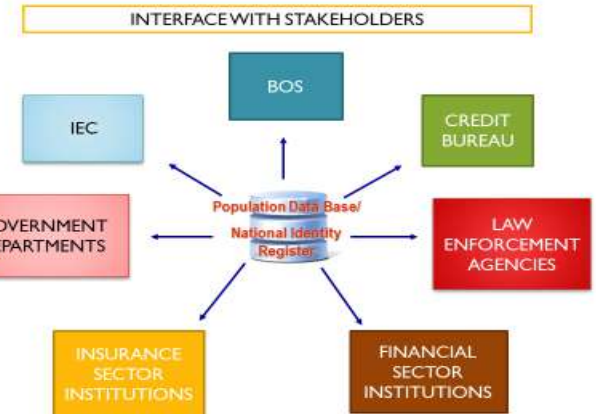
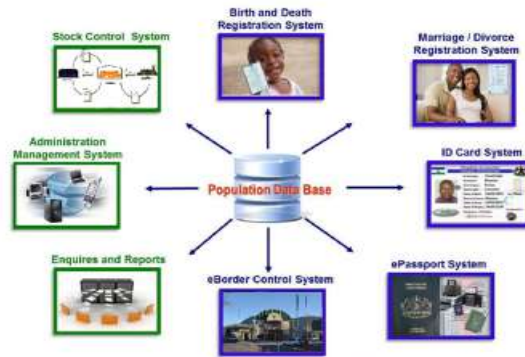
- **Data Protection Act, 2011 (largely consistent with the GDPR)**

WELL DESIGNED DIGITAL ID

- Is based on civil registration:
 - Life cycle of events: Birth and ID Card issuance, marriages & Divorce, death including CoD
- is Interoperable
- Enables civic and social empowerment
- makes possible real and inclusive economic gains
- complies with key data principles which are mandated by GDPR and Data protection act, by both, the ID Authority and the recipient of data

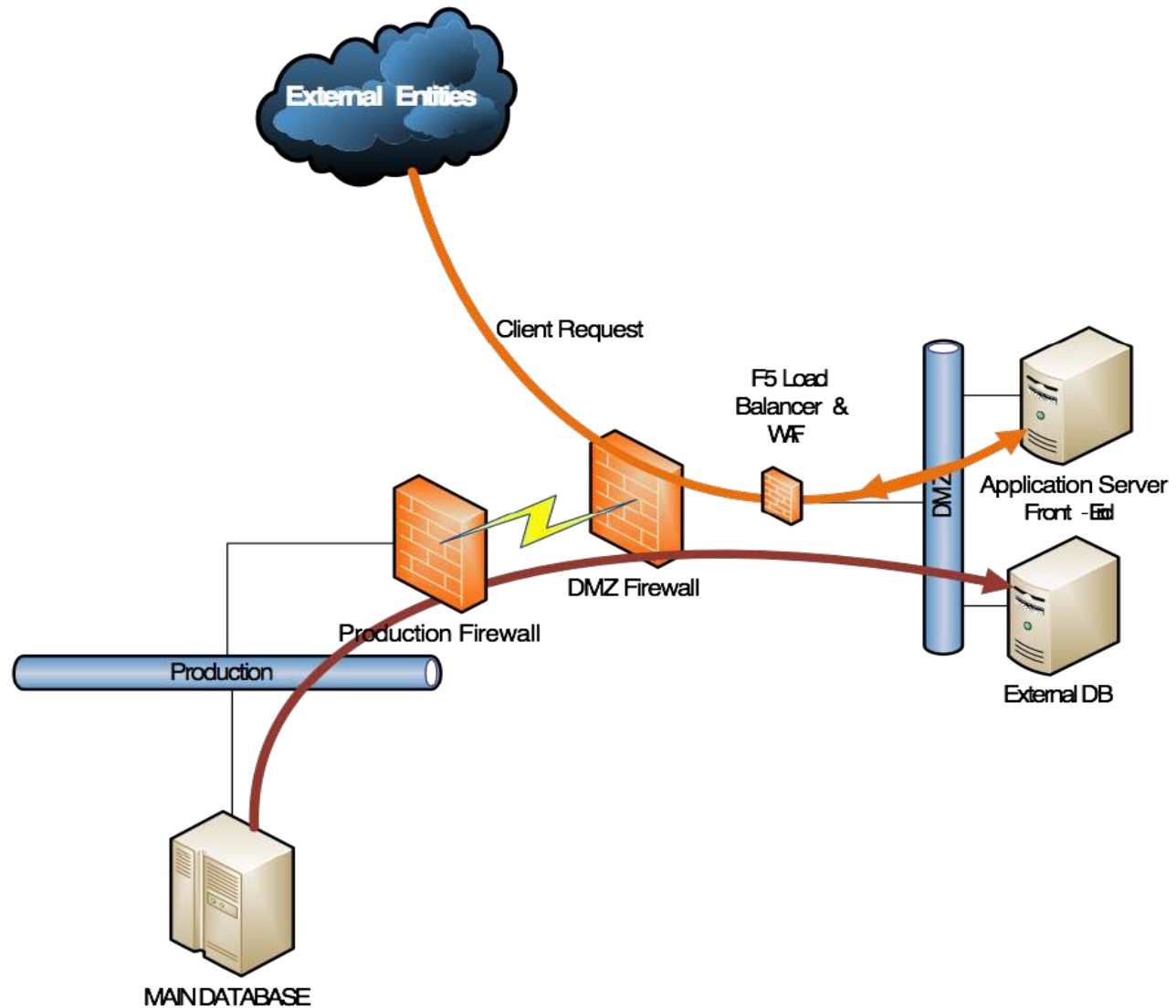
Lesotho Digital Identity Ecosystem model

INTEGRATED CR & NID SYSTEM



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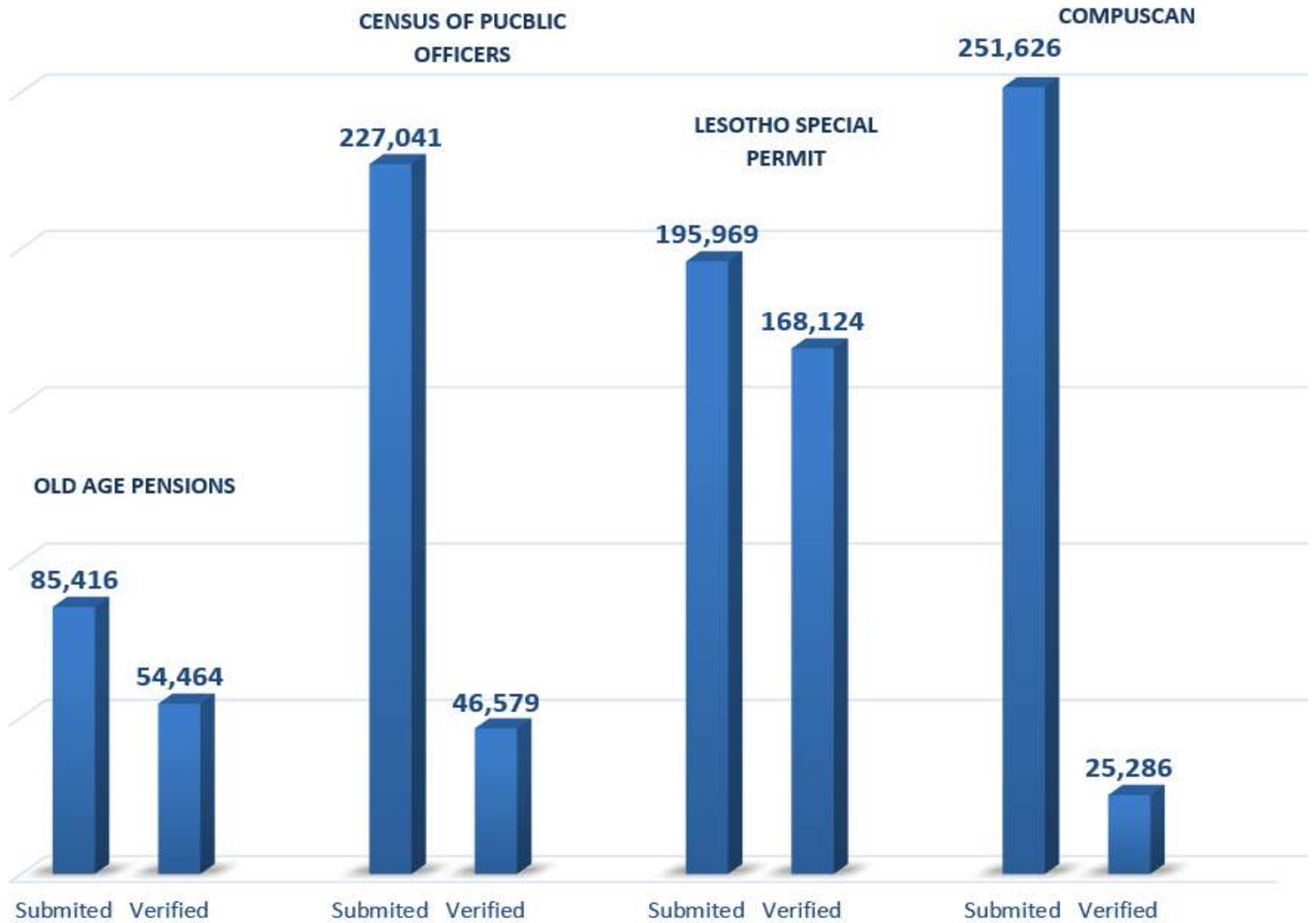
Linking Foundational ID with Functional ID cont... & Lesotho's API



Multiplier Effect of Digital ID and Financial Inclusion in Lesotho

- **Digital Identity** further provides non-economic value to individuals - **social and political inclusion, rights protection and transparency - guard against child marriages, human trafficking as well**
- **Old Age Pensions Scheme (Social Grants)**, Digital ID enables individuals to unlock value and benefits as they interact with Governments and other entities. Avoided **double dipping**. Regular updates with **death** register:
- **Biometric Census of Public Officers** – eliminate **ghost workers** and ensure that all Public Officers are **uniquely identified**.
- **Financial Institutions and Mobile Money – KYC**
- **Insurance Fraud** - Reduced fraudulent claims due to verification process
- **Access to Credit**- reduced risk due to availability and ease of verifiable ID
 - Credit bureau, optimal function on credit worthiness of clients
- **Lesotho Special Permit** - Cross border Money transfers - **legalised economic/seasonal migration**
- **Wool and Mohair Sector** – **significant number of Livestock owners, especially women and heard boys were excluded in the financial sector due to lack of identity**
- **Factory Workers** – Largely women had no access to financial services

Verifications Performed by MOHA







● THANK YOU!