

About EFInA's Innovation Fund

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Background

About EFInA

- Financial sector development organisation promoting financial inclusion
- Funded by DFID and Bill & Melinda Gates Foundation

Mission

- To make the Nigerian financial system work better, especially for the poor

Vision

- To be the leader in facilitating the emergence of an all-inclusive and growth-promoting financial system

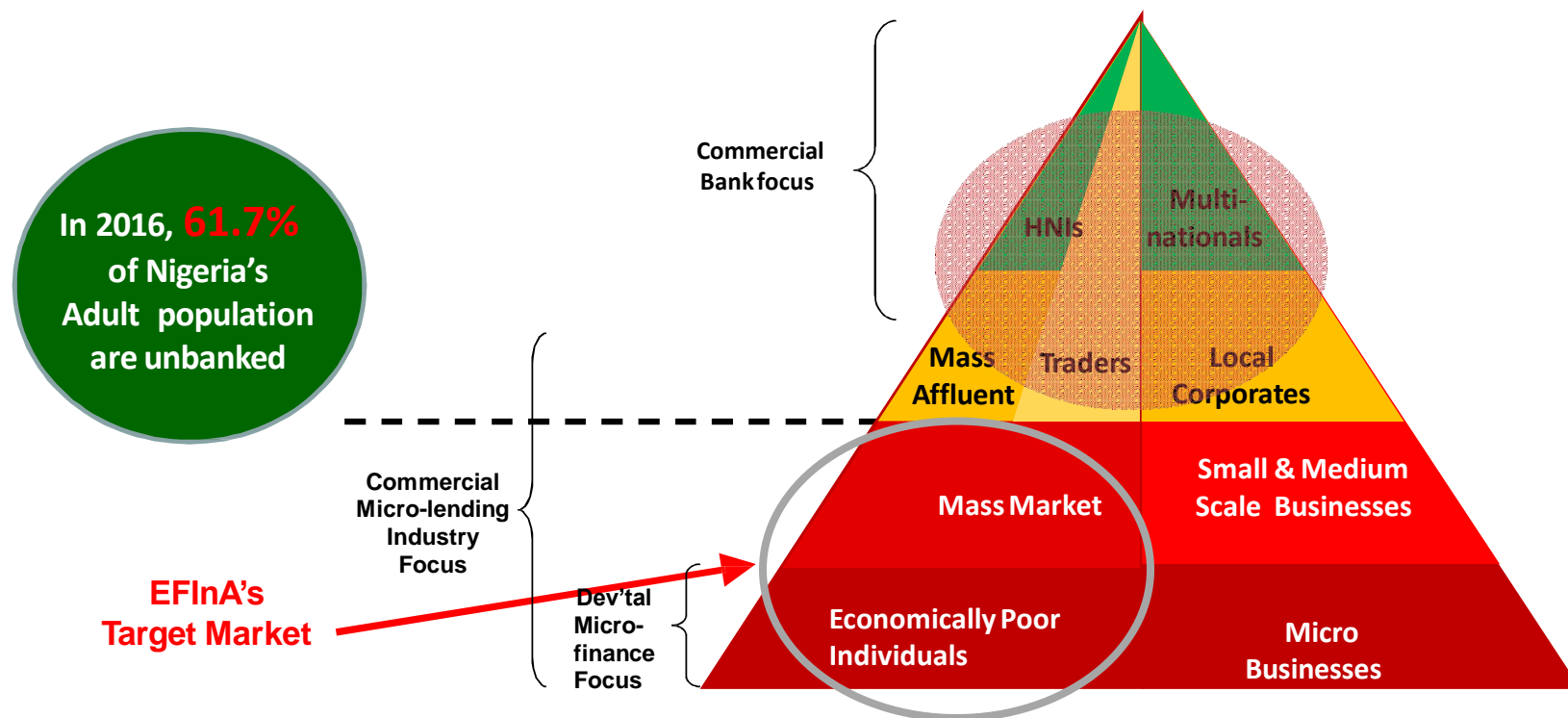
Pillars



EFInA Focuses on the Bottom of the Pyramid

EFInA's purpose is to promote pro-poor Financial Sector Development and Financial Inclusion in Nigeria.

EFInA has become an innovation centre targeting catalytic change across Nigeria's financial sector, to make markets work for those currently excluded from formal financial services.



About EFInA's Innovation Fund

Purpose of the Fund

Promote the development and implementation of innovative financial products and services targeting the unbanked and under-banked low income population

Innovation

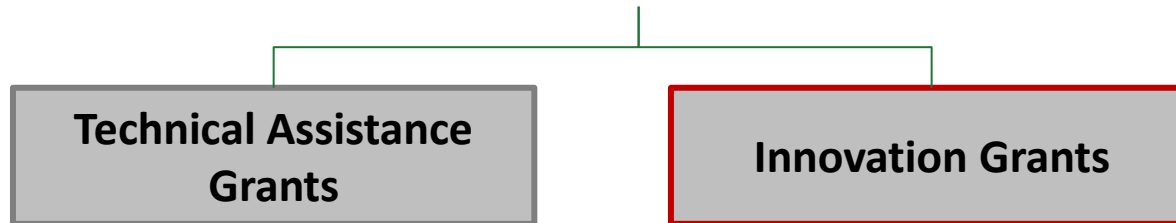
Novel ways of providing/sustaining access to financial services in Nigeria



Shares Risks

Supports Commercial Viability

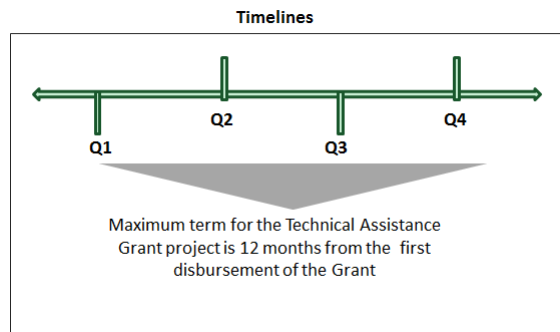
Innovation Fund



Overview of the Technical Assistance Grants and Innovation Grants

Technical Assistance Grants

- Goal:** To design, develop, support, pilot, test and roll out innovative financial products, services or delivery mechanisms that aim to increase access to the unbanked and under banked population in Nigeria
 - Technical Assistance Grants can also be awarded for the provision of technical support from local and international experts to get the projects off the ground
- Proposals are assessed on a rolling basis throughout the year



Financial Considerations

Technical Assistance Grants provide up to \$250,000



Grantee



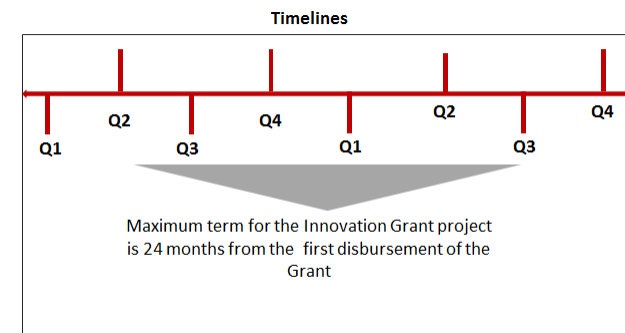
25%



75%

Innovation Grants

- Goal:** To support the roll out and implementation of products and services and/or delivery mechanism that have already been researched, designed, planned and piloted
- Proposals are assessed through a competitive process through a publically announced Request for Proposals (RFP)



Financial Considerations

Innovation Grants provide up to \$2,000,000



50%



50%

Summary of the Grant Types

Grant Type	Technical Assistance Grants	Innovation Grants
<p>Eligible Expenditure</p>	<p>The Technical Assistance Grant funding can be used to cover the cost of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Technical assistance or specialist consultancy support for: <ul style="list-style-type: none"> ▪ Developing business plans ▪ Conducting market research ▪ Developing products, including the design, development and testing of a concept or product features ▪ Piloting, testing and ensuring the proof of concept for the proposed project ▪ Training of agents ▪ Determining the appropriate price of products <input type="checkbox"/> Market awareness campaigns and advertising expenses that are directly related to the project being funded and aim to improve awareness and financial capability/literacy of the targeted (low income) customer segment 	<p>EFInA Innovation Grant funding can be used to cover the costs of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Launching, rolling out and/or implementing a product, service or delivery mechanism that has been piloted, including: <ul style="list-style-type: none"> ▪ Scale deployment of products/services ▪ Training of agents ▪ Technical assistance or special consultancy support <input type="checkbox"/> Market awareness campaigns and advertising expenses that are directly related to the project being funded and aim to improve awareness and financial capability/literacy of the targeted (low income) customer segment.

Summary of the Grant Types

Grant Type	Technical Assistance Grants	Innovation Grants
<p>Ineligible Expenditure</p>	<p>EFInA funds CANNOT be used for:</p> <ul style="list-style-type: none"> ▪ Subsidizing the organization's general operations and staff related costs ▪ On-lending to customers ▪ Office relocation, branch infrastructure, general fixed assets ▪ Advertising and marketing expenses not associated with financial capability/literacy or directly related to the project being funded ▪ Obtaining a business operations license ▪ Acquiring an equity stake in a new or existing business ▪ Purchasing phones, tablets or POS devices 	<p>EFInA funds CANNOT be used for:</p> <ul style="list-style-type: none"> ▪ Subsidizing the organization's general operations and staff related costs ▪ On-lending to customers ▪ Office relocation, branch infrastructure, general fixed assets ▪ Advertising and marketing expenses not associated with financial capability/literacy or directly related to the project being funded ▪ Obtaining a business operations license ▪ Purchasing phones, tablets, or POS devices

Summary of the Grant Types

Grant Type	Technical Assistance Grants	Innovation Grants
Duration	12 Months	24 Months
Applicant's Contribution	All applicants will be expected to contribute at least 25% of the Grant awarded by EFInA. The Grantee's matching funds may be used to acquire fixed assets or fund project staff at a disclosed rate and on a basis acceptable to EFInA for the purpose of the project	All applicants will be expected to contribute at least 100% of the Grant awarded by EFInA. The Grantee's matching funds may be used to acquire fixed assets or fund project staff at a disclosed rate and on a basis acceptable to EFInA for the purpose of the project
Application Timing	Applications are accepted all year-round. There are no specified opening and closing dates for Technical Assistance Grant applications	The Innovation Grant process will be initiated through the formal launch of a Request for Proposals (RFP), to which eligible applicants may respond

Summary of the Grant Types

Grant Type	Technical Assistance Grants	Innovation Grants
<p>Monitoring and Evaluation</p>	<p>Monitoring and Evaluation (M&E) is an on-going process throughout the tenure of the Grant. The grantee’s Project Manager and EFInA’s Grants Team are responsible for ensuring that the overall objectives of the Grant are met as well as ensuring project governance and relationship management. The M&E process will involve:</p> <ul style="list-style-type: none"> ■ Monthly update meetings, calls and/or reports ■ Quarterly visits and meetings conducted by EFInA ■ Periodic or quarterly progress reports to be sent by the Grantee to the EFInA Grants Team in a format provided by EFInA ■ An end-of-project evaluation report that includes lessons learned, major challenges, and key achievements, which will be presented to EFInA’s Management and Donors ■ Grantees may be subject to audits <p>Changes to the project must be communicated to, and approved by EFInA through the project change control process included in the Grant Agreement</p>	
<p>Process of Evaluation</p>	<p>All proposals are evaluated by EFInA’s Innovation Fund Committee</p>	

Eligibility Criteria

- ❑ The project objectives should be consistent with EFInA's objectives. Project should involve providing access to financial services for the unbanked and under-banked low income customers.
- ❑ Applicant should be legally incorporated within Nigeria with at least 2 years of audited financial statements available preceding the year of grant.
- ❑ The service proposed must be **innovative to the Nigerian market** and its development likely to be accelerated with the support of the EFInA Innovation Fund
- ❑ The request should be within the available funding parameters and the project expenditures should meet the criteria for eligible expenses.

Evaluation Criteria

	Technical Assistance Grant	Innovation Grant
Innovation	20%	10%
Viable Project Idea	20%	30%
Developmental Impact	20%	20%
Capacity	20%	20%
Consumer Protection & Financial Education	10%	10%
Sustainability	10%	10%

Essential Proposal Requirements

Grants proposal should demonstrate the following:

- **Outreach:**
 - demonstrate the ability to reach high numbers of unbanked or underserved groups
- Products and services offered must have the following features
 - convenience
 - flexible
 - secure
 - usable
 - affordable
- **Financial Literacy**
 - the use of marketing and financial education campaigns to demonstrate to customers the importance of saving; how to set savings goals; and change their saving behaviour to save with formal financial services providers.
- **Consumer Protection**
 - Pricing must be transparent and proposals should incorporate consumer protection redress mechanisms.

Organizations Eligible to Apply for EFInA Grant



Licensed Financial Institutions

- Deposit Money Banks (DMBs)
- Microfinance Banks (MFBs)
- Microinsurance Providers
- Non-bank Financial Institutions
- Mobile Money Operators (MMOs)
- Technology Providers
- Payment Service Providers
- Mobile Network Operators (MNOs)
- Super Agents
- Applicants can form a consortium (e.g. can include an MNO, a Fintech, etc.) as long as it is led by one of the approved institutions

Some EFInA Grant Beneficiaries and the impact of their products on Financial Inclusion

FCMB: Group Lending and Agency Banking Project

- This grant enabled FCMB to promote access to credit through group lending and the usage of digital financial services by women. Through Agency Banking FCMB expanded the provision of financial services to rural areas
- FCMB launched the group lending on mobile which enables their loan officers book a loan right on the field as well as register new MFB customers and capture all bio-data from the tablet
- On the Agency Banking side, the bank implemented the Bankers Realm Agent Banking application and deployed a number of products on a Point of Sale (POS) terminal

Some EFInA Grant Beneficiaries and the impact of their products on Financial Inclusion

Diamond Bank: Diamond Y'ello - Winning the North

- A mobile savings product that promotes the uptake and usage of digital financial services nationwide especially the North. Diamond Y'ello achieved a registered total customer base of over one million customers, with almost 40% of the customer base from Northern Nigeria and a conscious focus on women.

Diamond BETA 2.0 – Digital Financial Services for Women – Scaling the BETA Proposition

- A savings product designed to promote the uptake and usage of digital financial services by women through the scaling of the BETA proposition. Unique features of the project include; commitment savings, micro loans (kwik loans) and use of card-less ATMs

Some EFInA Grant Beneficiaries and the impact of their products on Financial Inclusion

ACCESS BANK PLC – Better Mama Better Pikin

- The project through EFInA's funding offered a micro savings product which was linked with health and life insurance for women in Kaduna State
- The insurance aspect of this project was extremely beneficial to the pregnant women providing antenatal and medical check-ups for them

eTranzact International Plc – The Pocketmoni 500 Initiative

- EFInA awarded a Technical Assistance Grant of \$250,000 to eTranzact International Plc. towards building a viable mobile payment ecosystem, called Pocketmoni 500, focused on the low-income population in Kano and Ogun States.

Cellulant Nigeria Limited – Increasing the use of Mobile Money and achieving greater Financial Inclusion for Farmers

- Through EFInA's grant, Cellulant Nigeria Limited enhanced the capabilities of the mobile wallet currently utilised by farmers in Nigeria. The mobile wallet enables farmers to purchase and receive agricultural inputs such as seeds and fertilizers as well as provide a robust mobile payment ecosystem for agriculture.

Next Chapter

At EFInA, we currently deploy our resources to only licensed financial services providers. However, we are working on reviewing our strategy to include engaging with Fintechs directly, to extend access to financial technology products and services for inclusive growth targeted at the low income population.



THANK YOU