



SOCIAL INVESTMENT PROGRAM

Office of the Vice President

Exploring agency networks for social investment program last mile payments

SIP

PROGRAM OVERVIEW



CCT
CONDITIONAL CASH TRANSFER



GEEPS
Government Enterprise
Empowerment Programme



HGSFP
National Homegrown School
Feeding Programme



N-POWER



NASCO



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OVERVIEW

- Ensure we achieve core payment cardinal points of paying the right person, the right amount, the right time at the right cost.
- Leverage new partnerships to collectively address program challenges and proffer new sustainable solutions.
- Evaluate current last mile payment challenges and solutions in the market place with considerations for regulatory environment and national standards.
- Incremental improvements where payment mechanism is currently working.

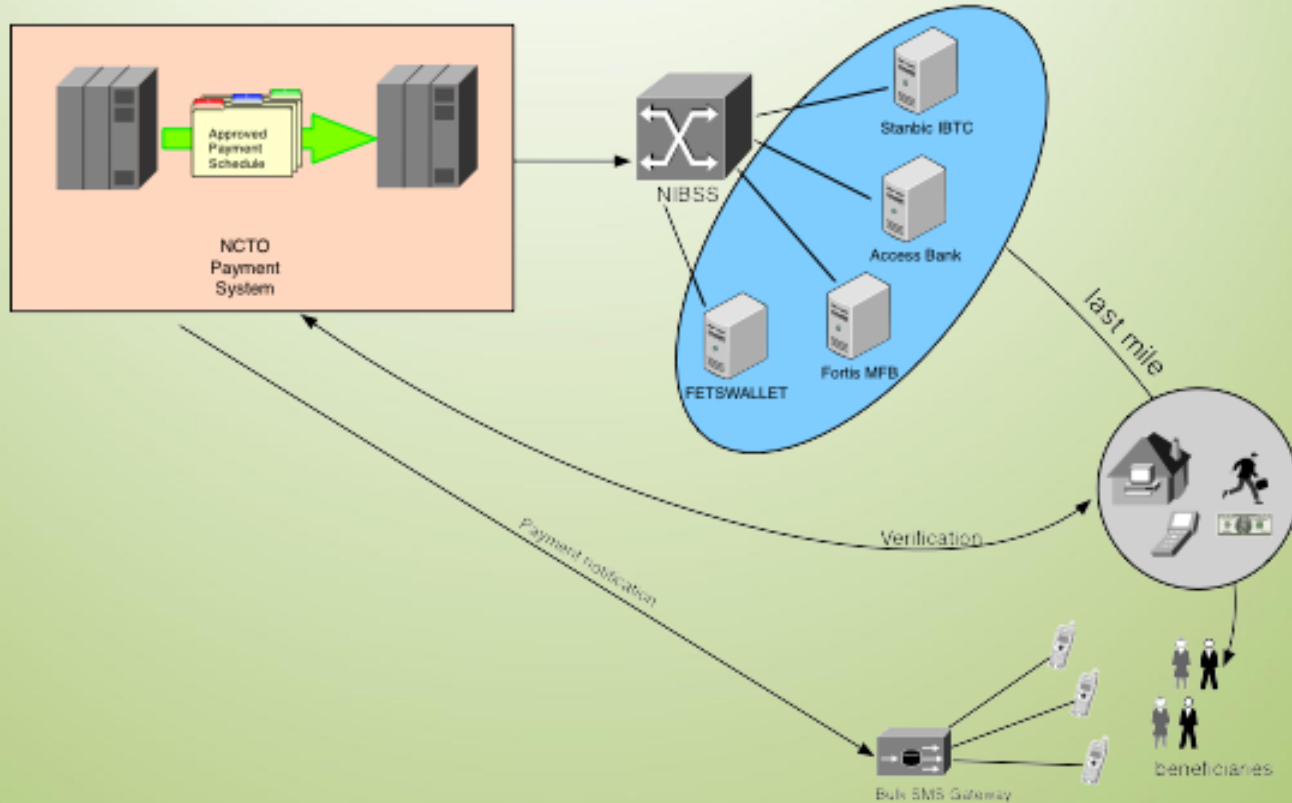


PROGRAM PAYMENT ATTRIBUTES (Not universal to all the clusters)

- ✓ Frequent, low value payments
- ✓ Infrequent high value payments
- ✓ Rural outreaches
- ✓ Limited telecommunications access
- ✓ low literacy rate
- ✓ Low mobile phone ownership
- ✓ Low banking access and availability
- ✓ Poor and vulnerable targets
- ✓ Frequent in-bound payments for loan repayments



THE PAYMENT ECOSYSTEM





Current Payment update

- Actively working with NIBSS, Banks and Mobile Money operators in some states (Depending on individual program requirements)
- Clearance of payment backlogs (NCTO)
- Working with Bank partners and NIBSS to pay beneficiaries with access to bank branches, ATM, (NCTO)
- Development of mobile agents with MMOS
- Exploring fixed location agents where sustainable and mobile agents where fixed agents are not sustainable (Proposed)
- N-power beneficiaries paid via verified bank account.
- School feeding vendors paid via verified bank accounts.

Payment types

G2P

Government to person (Out-Bound)

- NCTO, N-Power, School Feeding, GEEPS. They all receive payments from government as stipends, loans, payments for services etc

G2P

Government to person (In-bound)

- GEEPS beneficiaries repay their loans to government

P2P

Person to person

- School feeding vendors making payments to suppliers in their value chain.

AGENCY ECONOMICS



Agency acquisition and set up cost

Agent churn and redundancies

Agency sustainability

Liquidity management

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BALANCING THE ECONOMICS OF PROGRAM & TRANSACTIONAL AGENTS

PROGRAM AGENTS

- infrequent transactions
- PUSH factor
- Fees paid by program owners
- Fragmented demand side
- Single anchor service
- Predictable payment circles
- Mobile agents

TRANSACTIONAL AGENTS

- frequent transaction and diverse payments
- PULL factor
- Fees paid by customers
- Clustered demand side
- Diverse products and services
- Unpredictable transaction circles
- Community based agents



SIP – An opportunity for financial inclusion

- Leverage the scale and reach of the program as financial inclusion entry points for Nigeria.
- Providing basic communal access for communities in financially excluded communities.
- Leveraging on monthly stipends, loan disbursements and empowerment funds to drive other financial services like savings, remittances etc
- Financial education and literacy
- Provide a boost for mobile money and agency banking operations in Nigeria.



The need for a well distributed National agency network

- Serve as a shared agency pool for last mile payment for all the programs.
- Accept in-bound repayments for loans
- Provide alternative means for cashing out even for programs that are strongly linked to bank accounts but with limited bank branches or alternative cash out points.
- Provide enrollment services where allowed.
- Provide wallet services
- Provide agency services in-communities.



Working together

- Evaluate the last mile payment challenges for in-bound and outbound payments.
- Explore and review areas of compelling needs and partnerships.
- Evaluate the commercial, technology, regulatory and operational requirements for partnerships.
- Introduction to program coordinators and streaming engagement plans.
- Plan a supply-side assessment meeting to review proposals and suggestions.



Q & A

EMMANUEL OKOEGWALE
NCTO

NCTO