

NIN/SIM Mobile Line Disconnection Impact

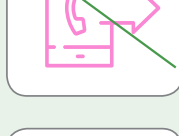
February 2024

on or before
28 Feb
2024

The Nigerian Communications Commission (NCC) in a directive dated 18 December 2023, ordered mobile line disconnection on all single phone lines with SIMs that are yet to be linked to National Identity Numbers (NINs) on or before 28 February 2024.

Subscribers with more than 5 lines with unverified NINs have been given until 29 March 2024 to link or get disconnected

Subscribers with less than 5 lines with unverified NINs have been given until 4 April 2024 to link or get disconnected



This follows NCC's initial directive on 4 April 2022, requiring mobile operators to restrict outgoing voice calls on all lines not linked to NIN.

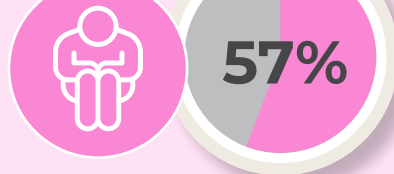


While the Federal Government's commitment to a national identity management system is commendable, concerns remain regarding the potential disenfranchisement of marginalised groups, particularly the rural poor, MSMEs, traders, and women. A full mobile line disconnection could significantly disrupt the lives of many of the most vulnerable Nigerians who are likely to be poor, and we know that the poorer you are the less likely you are to own a NIN.



According to the I4ALL analysis of the A2F 2023 Survey data, 29% of Nigerians do not have NINs.

And



57% of those without NINs are in the poor to poorest bracket and are thus likely to be adversely affected.

A deactivated SIM card translates to crippled communication, halted mobile commerce, and greater barriers to financial services for both the banked and unbanked.

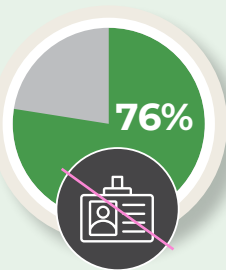


The implications of the NCC's (Nigerian Communications Commission) full mobile line disconnection for marginalised groups

IMPLICATIONS

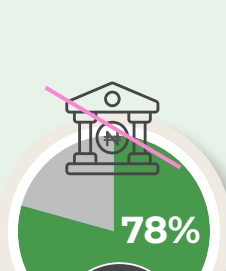
EXPLANATION

DEMAND-SIDE IMPLICATIONS



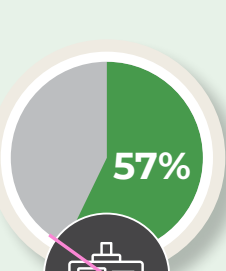
76% of Nigerians with no NIN are at risk of disconnection.

According to the 2023 A2F Survey, 76% of those that don't have NIN own or have access to a mobile phone. If these Nigerians are unable to enrol for, link and verify their NINs before the deadline, they will be cut off from all mobile services.



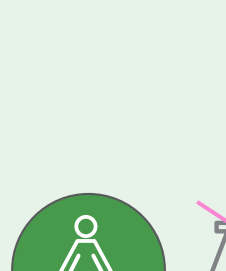
Mobile line disconnection threatens to increase barriers to access for the unbanked as 78% of those without NIN are unbanked.

Mobile channels are a critical onboarding platform for the unbanked to participate in the financial system, and USSD in particular is a vital channel for utilisation of financial services. The A2F 2023 survey demonstrates that 78% of those without NIN are unbanked. By removing this sub-segment's access to mobile services without creating easy, efficient access to NIN, we risk deepening their exclusion from the digital and financial ecosystem. Additionally, as the NIN is now a crucial requirement for Tier-1 accounts, this creates a significant hurdle, potentially hindering financial inclusion efforts and further marginalising the unbanked, whom Tier-1 accounts aim to reach.



The poorest groups will be disproportionately impacted - 57% of those without NIN are in the poor to poorest bracket.

The A2F 2023 Survey demonstrates that 57% of those without NIN are in the poor to poorest bracket. Therefore a mobile line disconnection will disproportionately affect them due to limited access to enrolment centres amidst other challenges for obtaining a NIN. It will limit their access to essential services, communication, and economic opportunities.

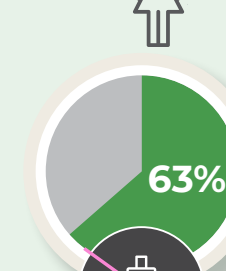


Increased inequity for women and rural inhabitants.

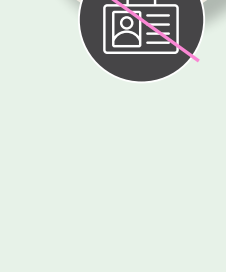
Research has demonstrated that women and rural inhabitants already face significant barriers to obtaining national identity and are disproportionately excluded from the identity and financial systems.



The gender gap in NIN ownership is smaller, but still far too high. As revealed by the I4ALL analysis of the A2F 2023 survey 63% of those without NIN are female. There is therefore a concerning gender gap in NIN ownership which makes women disproportionately susceptible to the potential impact of the NCC's mobile line disconnection directive.



Rural inhabitants will be most affected by a full mobile line deactivation as a stark urban-rural divide exists in NIN ownership. According to the A2F 2023 Survey, 54% of those who do not have NIN live in rural areas. A mobile line disconnection therefore could further widen rural-urban gaps leaving more segments excluded.



Millions of Nigerians with basic phones risk disconnection.

These gaps highlight the need for targeted efforts to ensure equitable access to NINs. Limited access to enrolment centres, lower awareness, geo-mapping restrictions or logistical issues contribute to the higher percentage of rural residents lacking NINs. Addressing these disparities is crucial for inclusive access.



According to the A2F 2023 Survey, 73% of Nigerians without NINs use basic phones. If these Nigerians cannot enrol and link their NIN by 28 February 2024, they will be disconnected from mobile services. Basic phones are primarily used by low-income households - therefore, these are the groups of individuals who are at high risk of digital exclusion and further marginalisation due to the proposed disconnection. In comparison, the A2F 2023 Survey reveals that only 10% of those without NIN own or have access to smartphones, while 19% of them own or have access to feature phones.

IMPLICATIONS

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SUPPLY-SIDE IMPLICATIONS



NIN Enrolment challenges persist.

NIMC's front-end partners (FEP) expansion and enrolment apps offer potential solutions, but significant challenges remain in ensuring a smooth NIN enrolment process, particularly for rural and marginalised groups. The ongoing revalidation exercise for FEPs will likely be disrupting enrolment efforts when they are most needed.



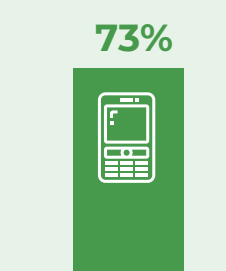
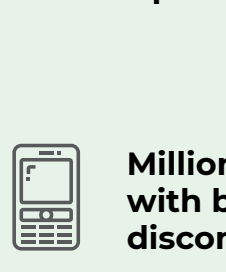
NIN verification has reported challenges.

Additionally, for those seeking to revalidate their NINs, while the process can be done through the NIMC mobile app, there are still reports of app glitches by users. Significant online commentary also suggests that mobile subscribers who have submitted valid NINs are being told by MNOs (Mobile Network Operators) that they will be cut off - suggesting that the bulk verification required to confirm the NINs submitted during SIM registration may not be working efficiently.



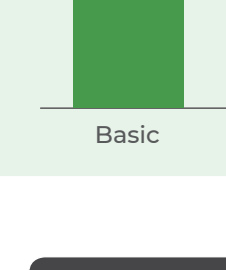
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CONCLUSION

Our data insights validate our concerns about the impact of NCC's new directive on Nigeria's marginalised groups:

- The mobile line disconnection, as directed by the NCC, will negatively affect mobile phone access amongst marginalised groups because as depicted through the A2F survey data, these individuals are less likely to have NINs and as such, will be unable to link their SIMs as directed. Based on the I4ALL data insights, women are over 16% more likely than men to have no NINs and would therefore be disproportionately impacted by such a measure. Rural inhabitants are 46.2% less likely to have NINs than their urban counterparts. The directive therefore risks widening the already concerning gender and urban-rural divide in NIN access if urgent steps are not taken to ensure enrolment barriers are overcome.
- Basic and feature phone users are more likely to be affected by the mobile line deactivation, as they typically do not have NINs in comparison with their smartphone-counterparts. If these individuals cannot enrol and link their NIN by the deadline, they will be cut off from mobile services.
- As of 31 December 2023, the NIMC reports over 104.16 million NIN enrolments. With a surge in individuals seeking revalidation and new enrolments before the deadline, concerns arise about the capacity of the system to handle the increased demand. Urgent action is needed to address limiting factors and ensure everyone can complete their NIN process before the deadline.

RECOMMENDATIONS

While we align with the NCC's broad goal to tackle security within a robust and effective national identity system, I4ALL recommends the following to ensure that marginalised groups are not further excluded:

- Increased sensitisation and targeted assistance -** While the federal government has made commendable efforts to create awareness of the importance of NINs, many are unaware of the new deadlines. NIMC should create extensive information campaigns on the new deadlines and the enrolment and revalidation process, in local languages, focusing on marginalised communities. Increase dedicated enrolment centres in rural areas and USSD enrolment options to ease accessibility. NIMC should also increase targeted assistance programs for MSMEs, traders, and women to help them navigate the enrolment process.
- Partner with financial institutions -** to leverage existing KYC (Know Your Customer) data for verification, where legally permissible and with proper safeguards for data privacy. This can speed up verification for individuals already identified through formal financial channels.
- Phased implementation and extensions -** Instead of a single deadline, NCC should consider a phased approach with extended timelines for specific groups facing unique challenges. This includes rural area inhabitants, those over the age of 60, disabled individuals, and most importantly, the unbanked..