



TONY BLAIR INSTITUTE FOR GLOBAL CHANGE



The economic value of digital ID in Africa: a multi-country field study

YIANNIS THEODOROU (GLOBAL LEAD, DIGITAL ID) - 23 MAY 2023



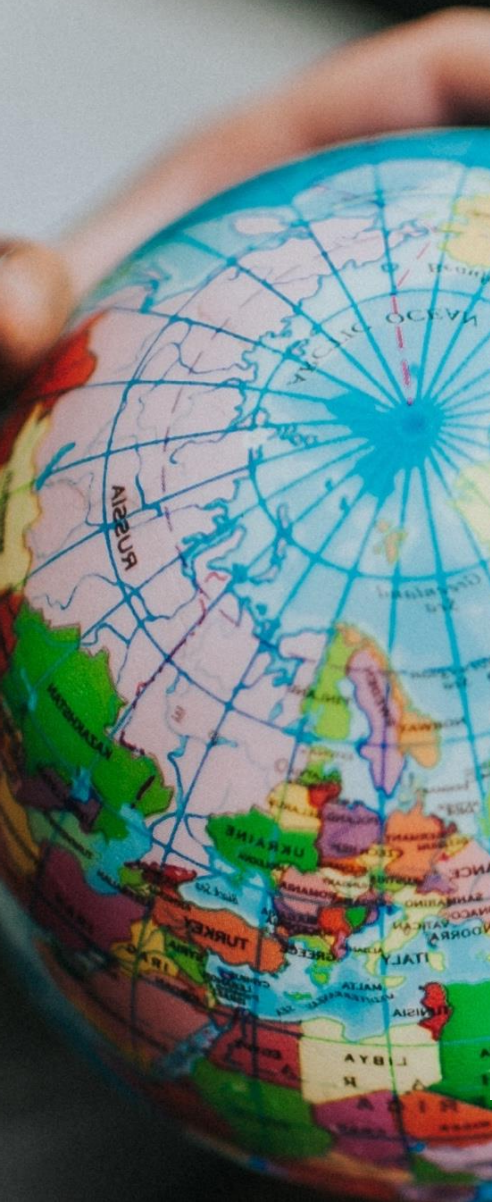
About Us

We are the Tony Blair Institute for Global Change.

We work with political leaders around the world to drive change. We
make change happen by turning bold ideas into reality.

We do it by advising on strategy, policy and delivery, unlocking the
power of technology across all three. By sharing what we learn on
the ground, so everyone can benefit.

And we do it to build more open, inclusive and prosperous
countries for people everywhere.



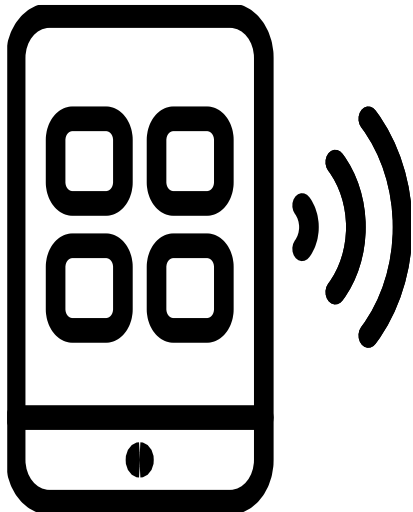
African governments are prioritising digital ID to help people access services remotely

3 factors drive the momentum:

1. The COVID-19 experience

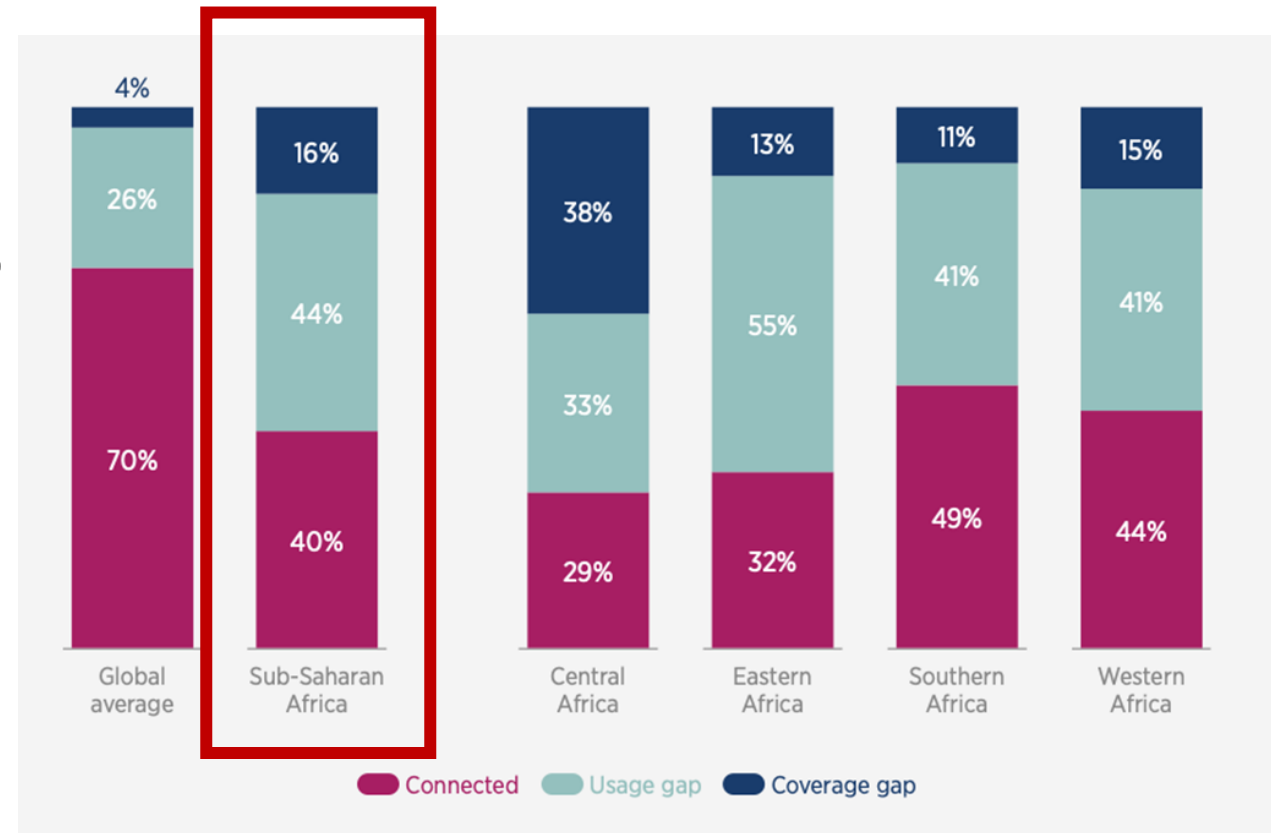


2. More people are accessing smartphones and using the internet, offering more options for Digital ID-enabled services



smartphones will make up **61%** of all internet connections in Sub-Saharan African by the year 2025.

In 2021, it was already at 49%.



Mobile usage as a percentage of adult population in 2021*

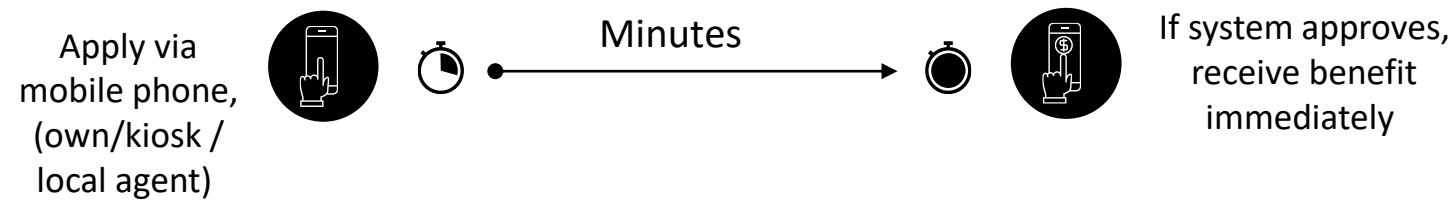
3. Remote access to government services achieves efficiencies, improves delivery and saves people time and money...

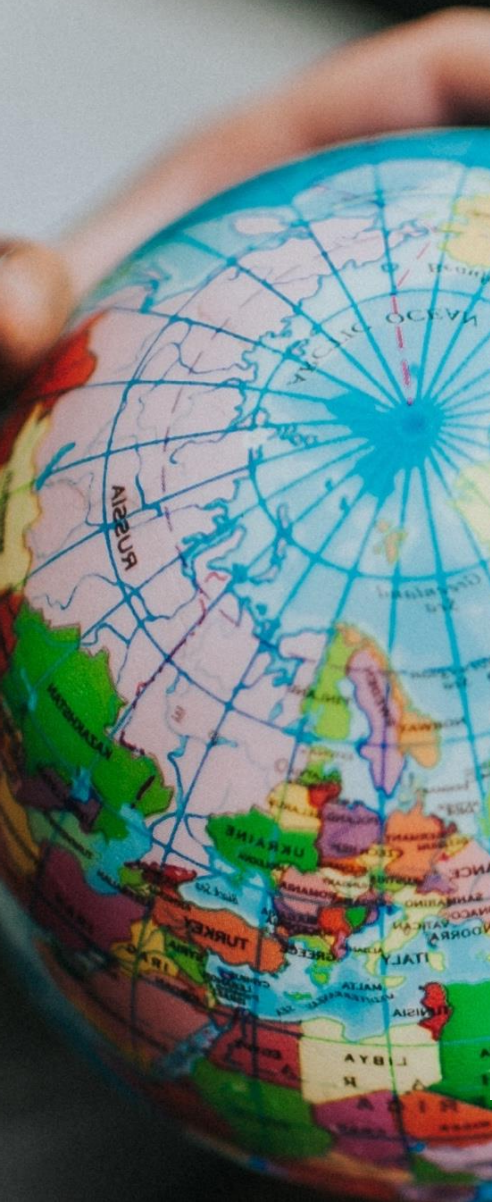
EXAMPLE: APPLYING FOR A STATE BENEFIT

TRADITIONAL



DIGITAL





But what could the economic impact of digital ID be, if people could leverage its full potential?

We interviewed people from 4 marginalized groups in 3 countries to get a sense of what this value could be...

TARGET GROUPS

- Rural females
- Informal retailers
- The elderly
- Urban unemployed

COUNTRIES



Rwanda



South
Africa

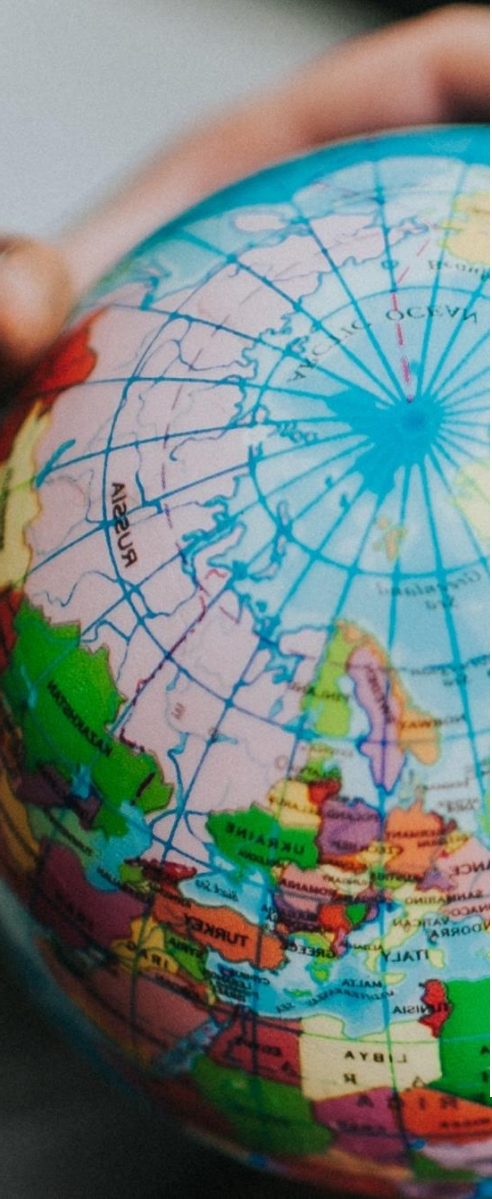


Cote
D'Ivoire

METHODOLOGY

- Primary data collection and modelling
- KII
- Desktop research

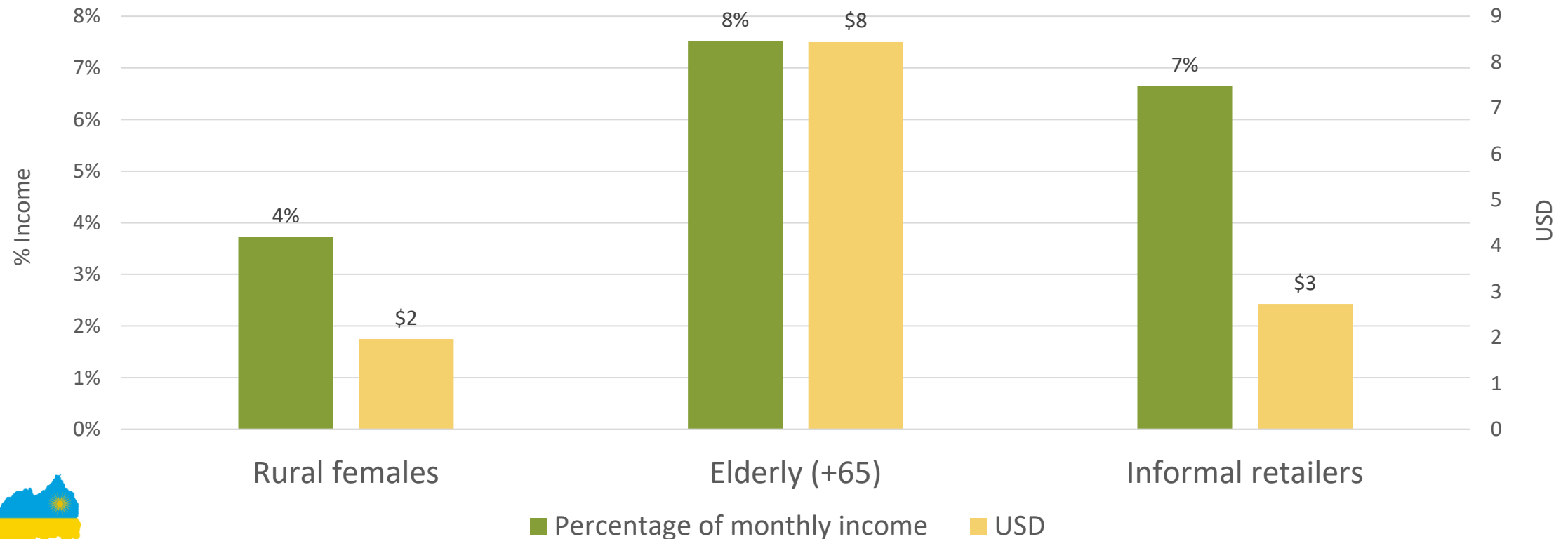
**COSTS FACTORED IN: TRAVEL COSTS, SUNDRY COSTS , OPPORTUNITY COSTS
(HOURS SPENT AWAY FROM HOME X HOURLY WAGE)**



Rwanda – 4 preliminary findings

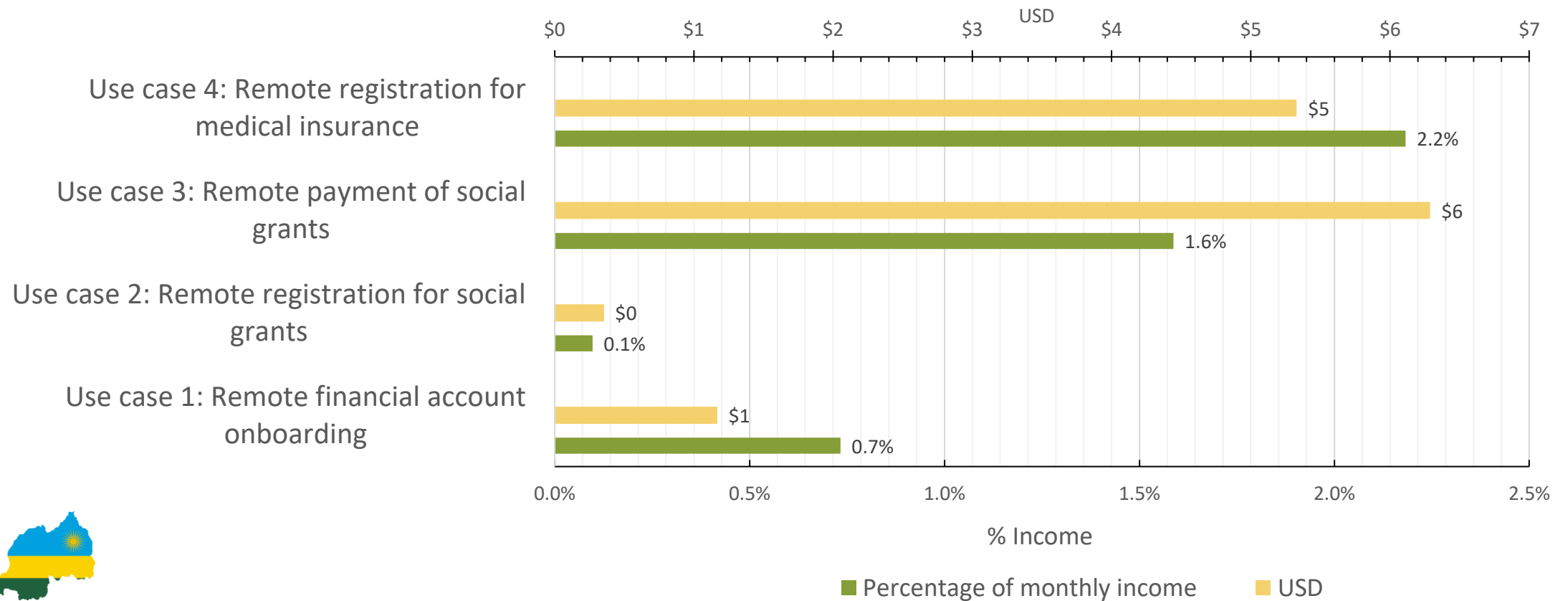
On average, an elderly person stands to gain the most from digital ID

Potential savings as a % of monthly income and in USD

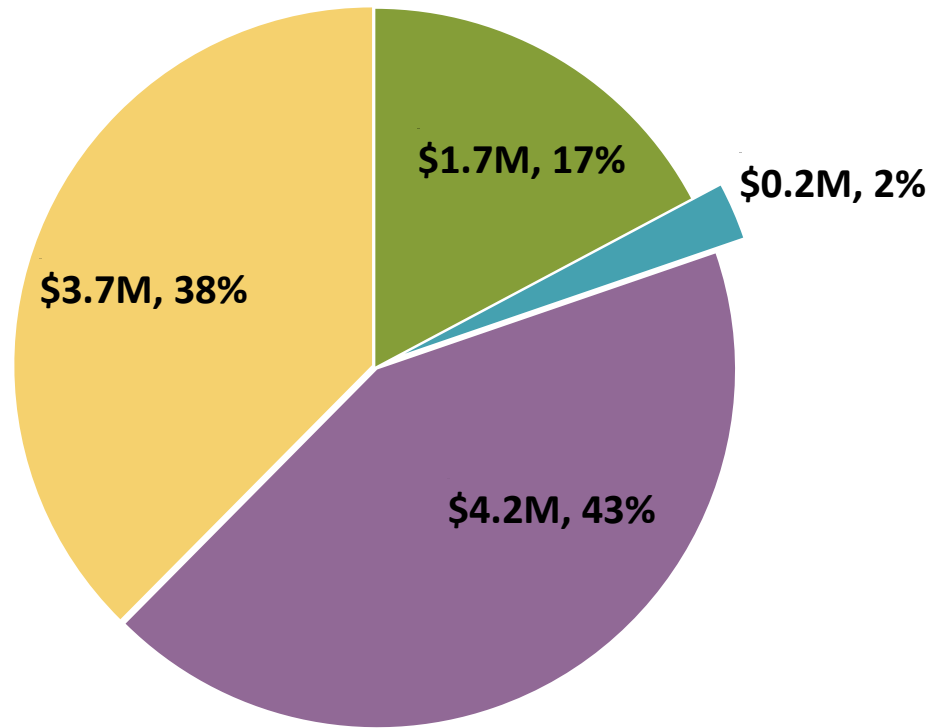


Enabling remote registration for medical insurance and the remote payment of social grants could be particularly impactful use cases for digital ID

Potential savings as a % of monthly income and in USD



Marginalised populations could save \$9.7m per year if a digital ID is used across the four selected use cases



Impact per use case

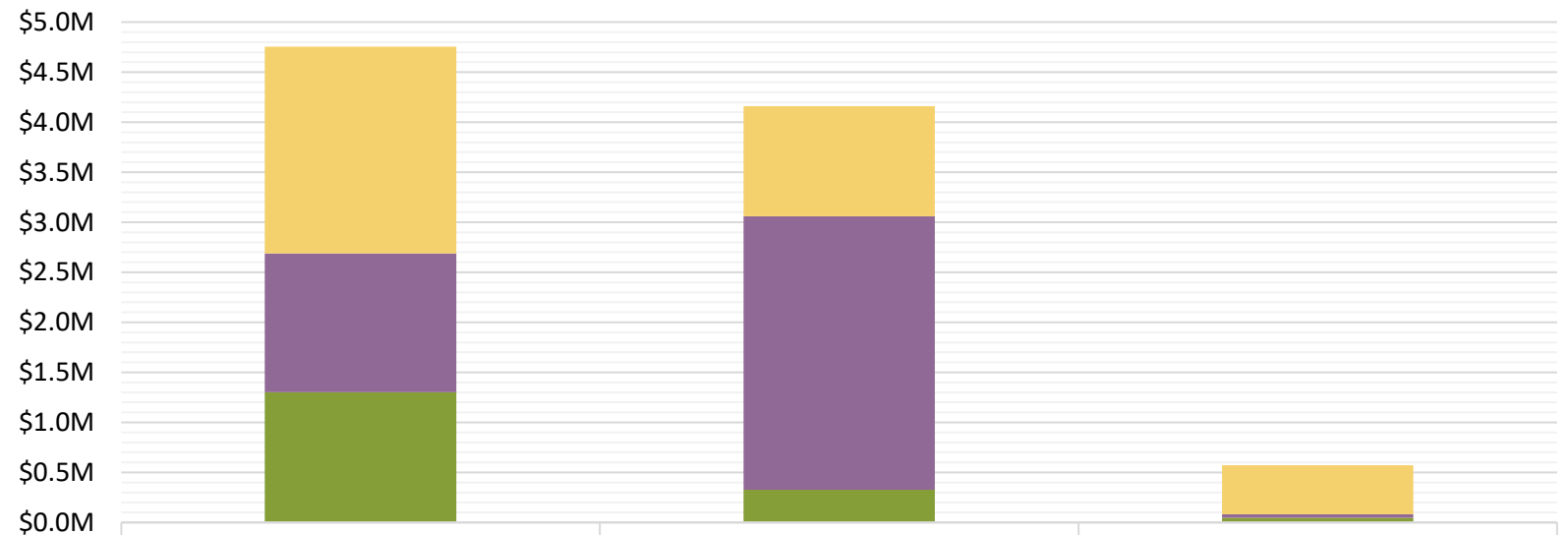
- Use case 1: Remote financial account onboarding
- Use case 2: Remote registration for social grants
- Use case 3: Remote payment of social grants
- Use case 4: Remote registration for medical insurance



Rwanda

On aggregate, rural females and the elderly stand to save the most from using a digital ID to access services

Potential savings aggregated at national level



Use case 4: Remote registration for medical insurance	\$2.1M	\$1.1M	\$0.5M
Use case 3: Remote payment of social grants	\$1.4M	\$2.7M	\$0.0M
Use case 1: Remote financial account onboarding	\$1.3M	\$0.3M	\$0.0M

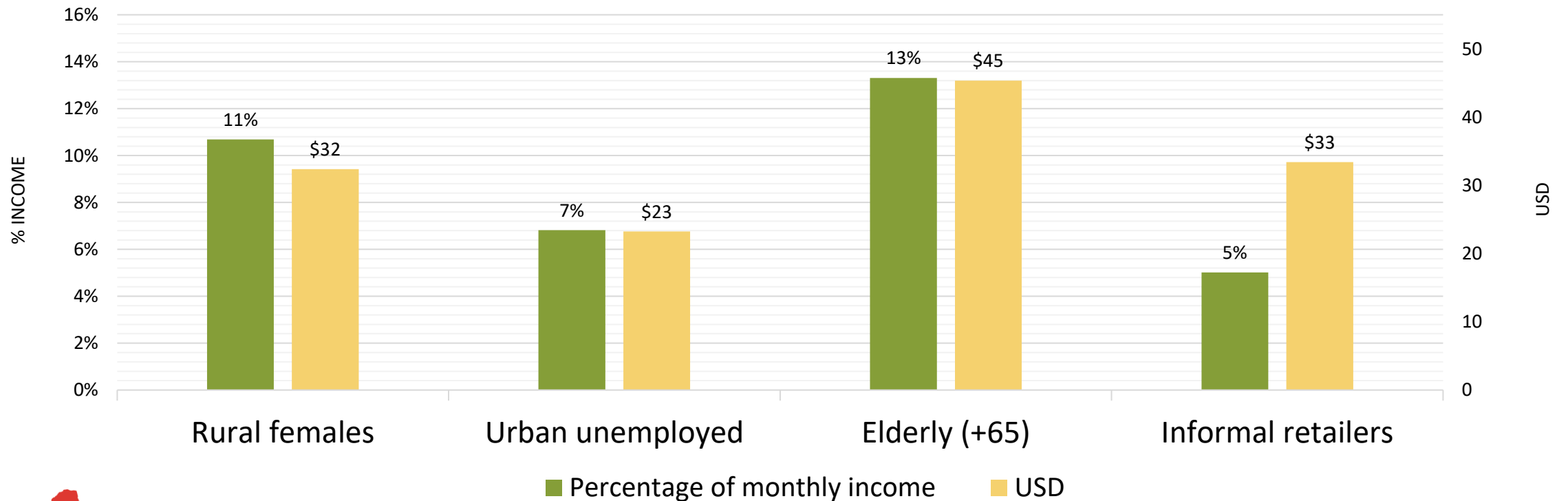




South Africa – 4 preliminary findings

On average, an elderly person stands to gain the most from digital ID in South Africa too

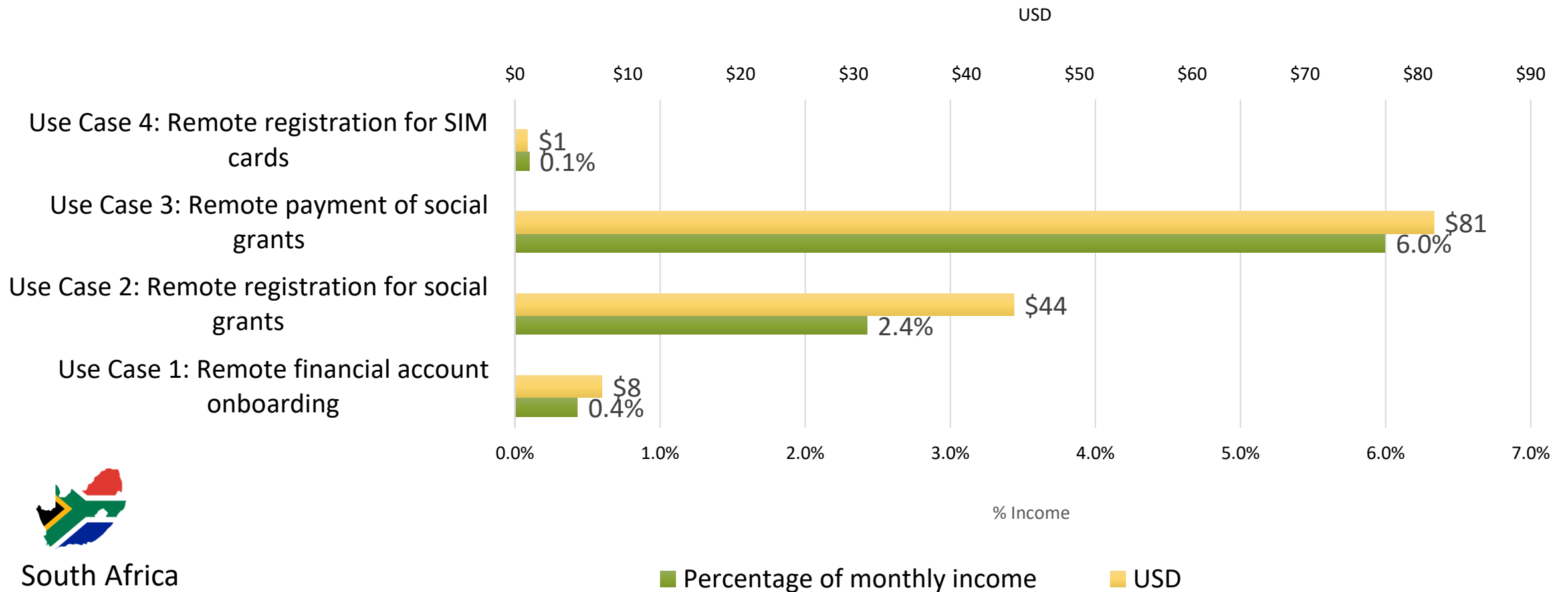
Potential savings as a % of monthly income and in USD



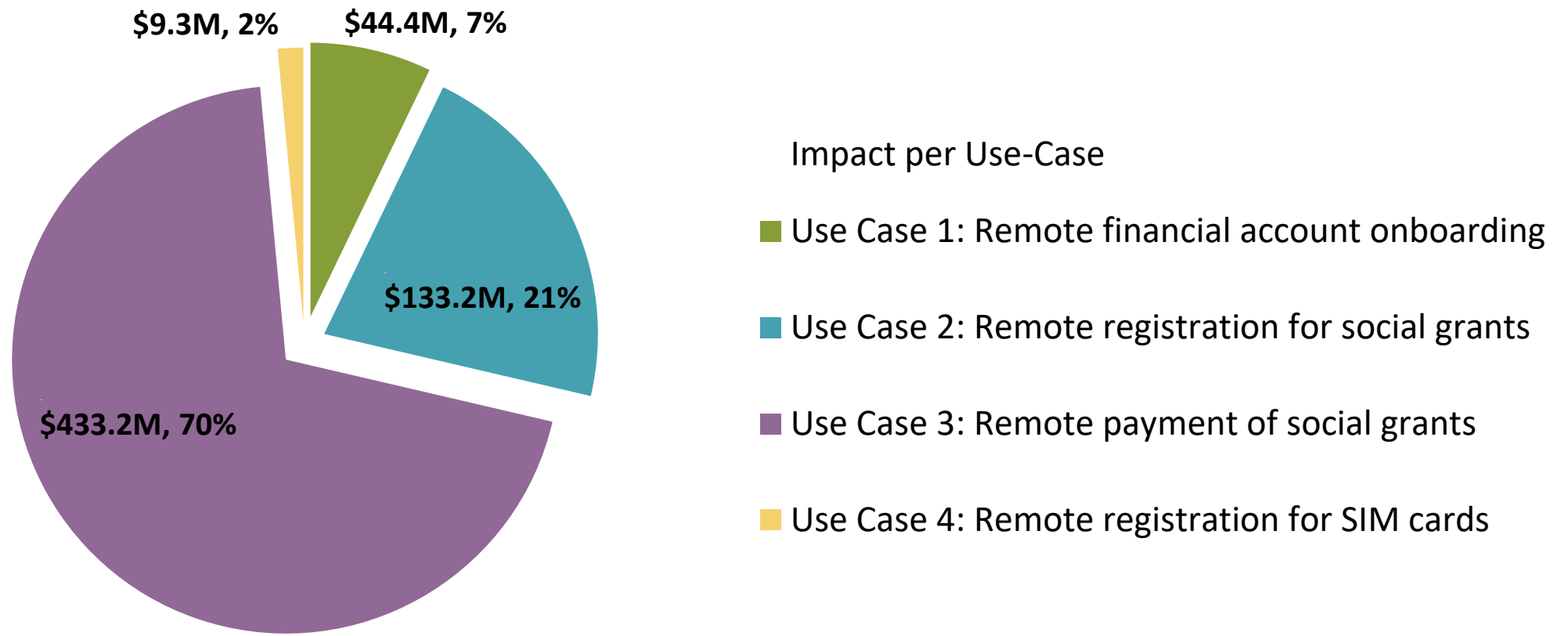
South Africa

Enabling the remote payment of social grants would be the most impactful use case among marginalised groups

Potential Savings in % Monthly Income & USD



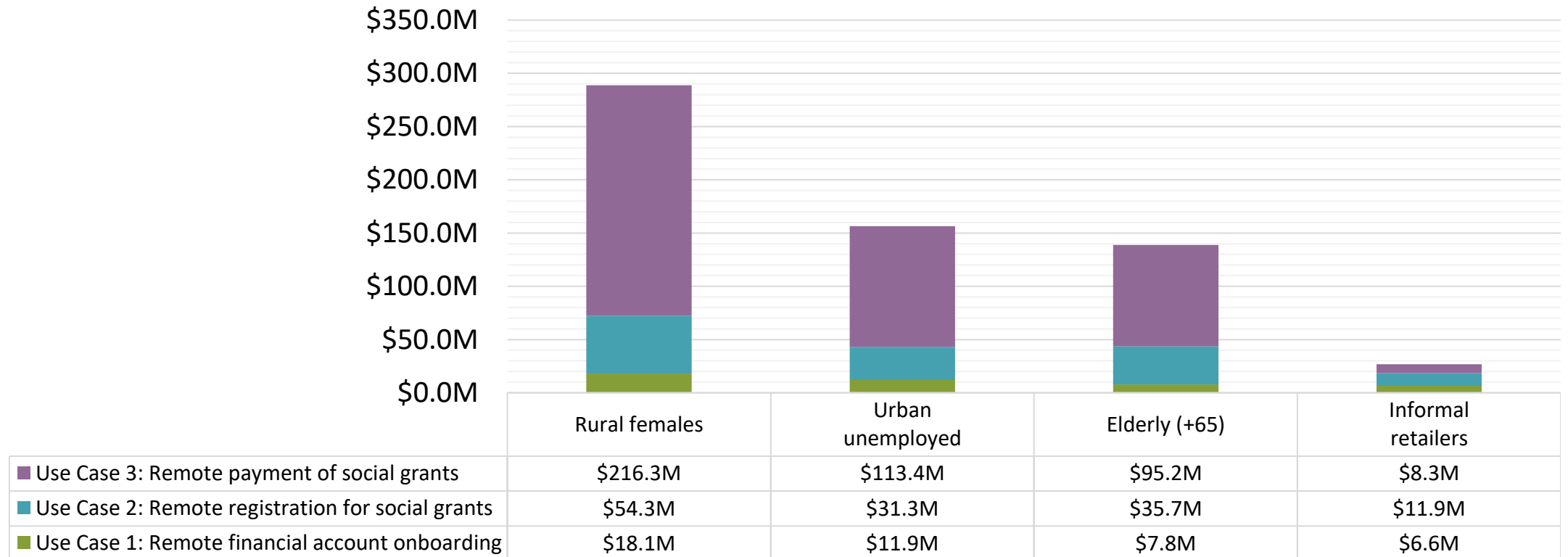
Marginalised groups could collectively save \$620m per year if digital ID is used across all use cases



South Africa

On aggregate, rural women stand to save the most from using a digital ID, especially when it unlocks remote payment of social grants

Potential savings aggregated at national level

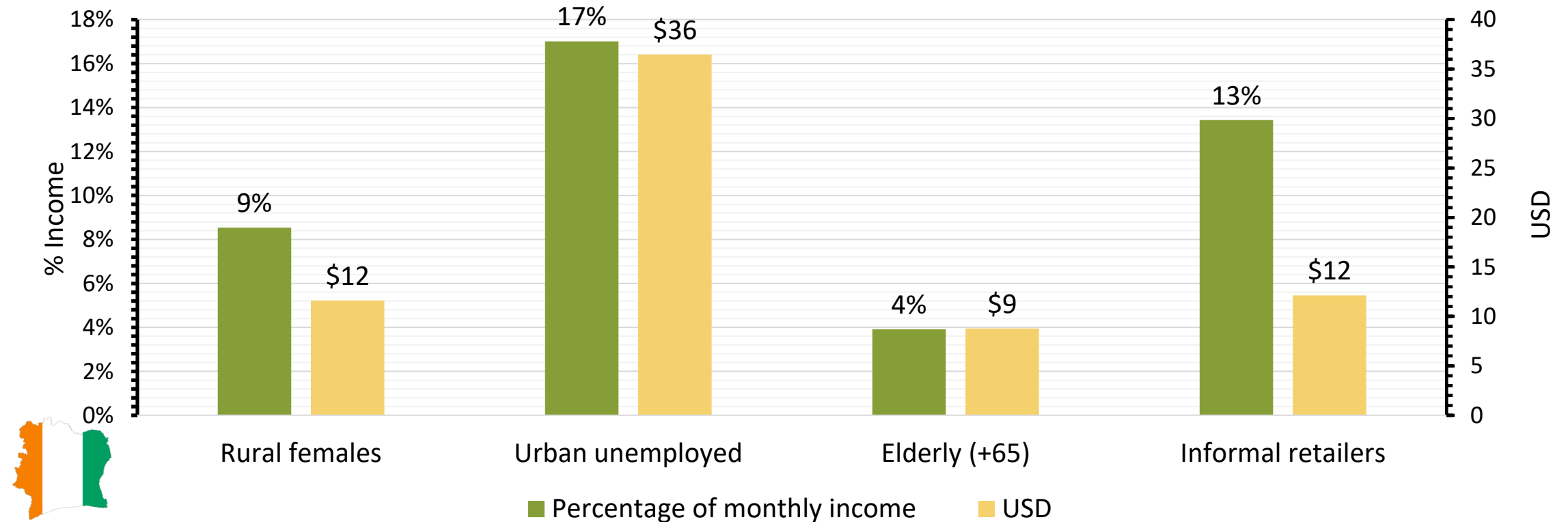




Côte d'Ivoire— 4 preliminary findings

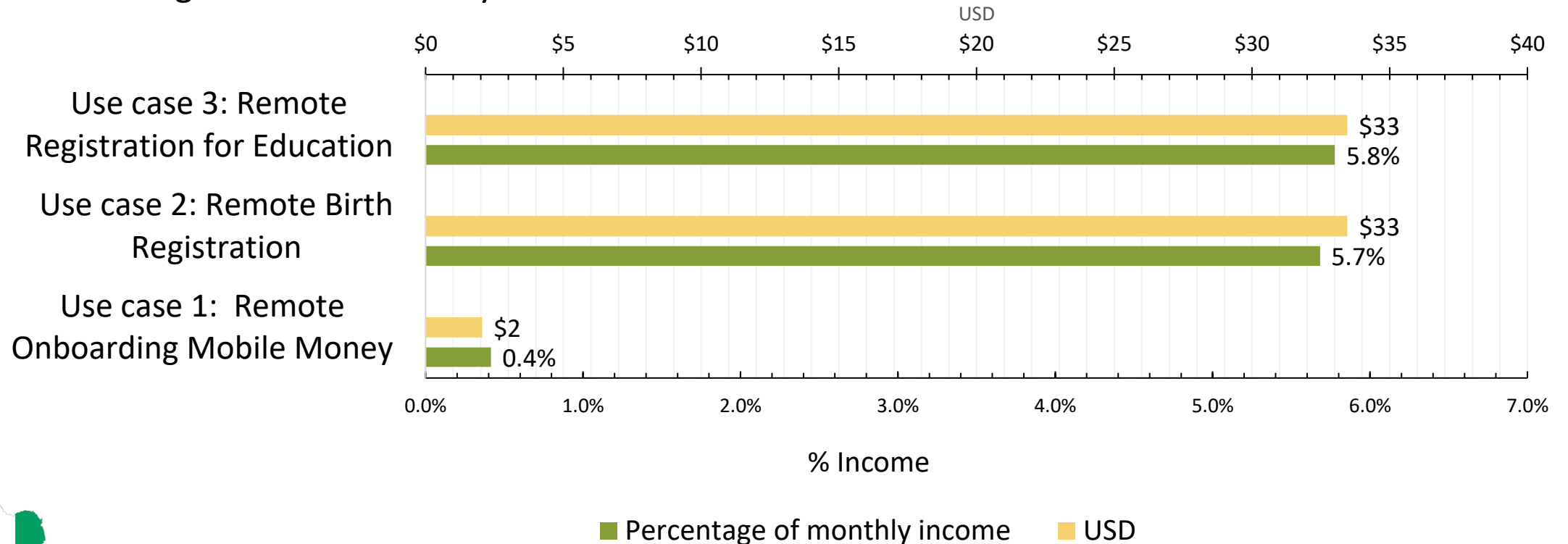
On average, an urban unemployed person stands to save the most from a digital ID (followed by an informal retailer)

Potential savings as a % of monthly income and in USD



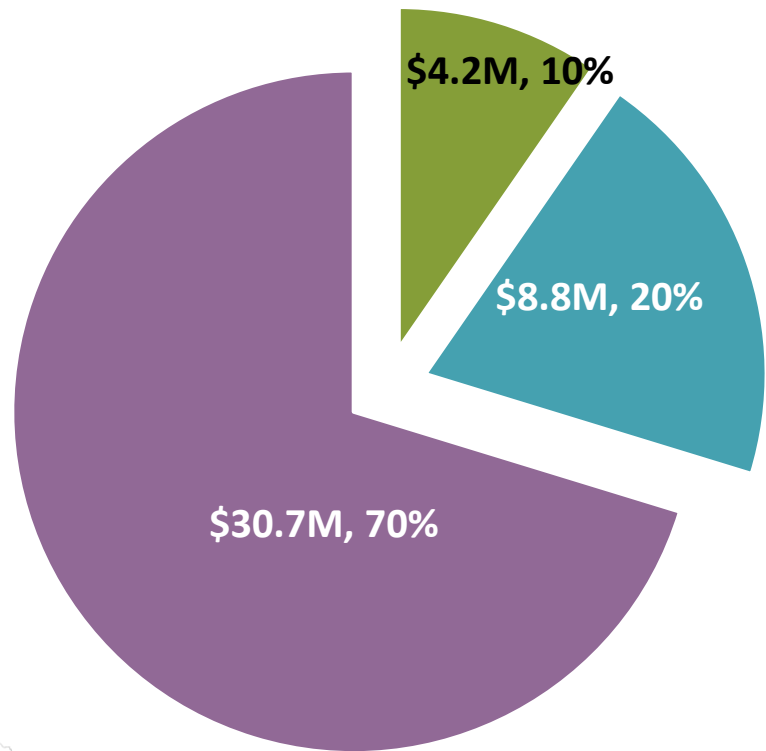
Enabling remote registration for education & birth registration by using a digital ID, could have the greatest impact

Potential savings as a % of monthly income and in USD



Côte d'Ivoire

Marginalised populations could save \$43.7m per year if digital ID is used across selected use cases



Impact per Use-Case

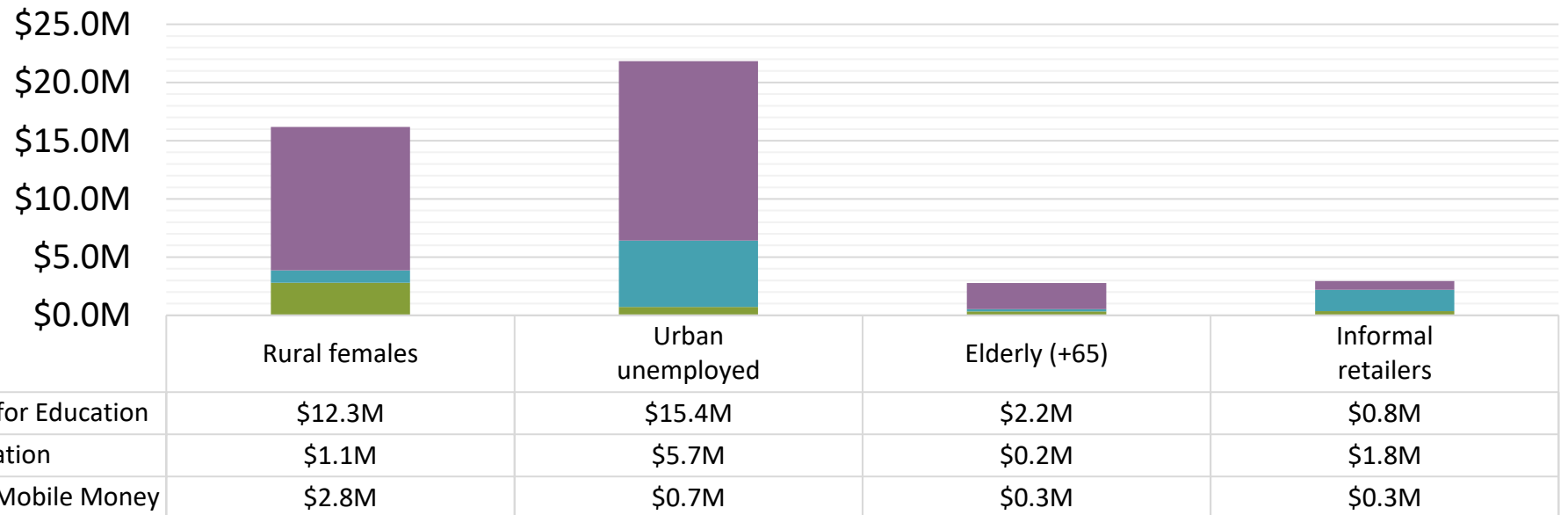
- Use case 1: Remote Onboarding Mobile Money
- Use case 2: Remote Birth Registration
- Use case 3: Remote Registration for Education



Côte d'Ivoire

On aggregate, the urban unemployed stand to save the most from using digital ID to access services remotely

Potential savings aggregated at national level



Key policy recommendations on maximizing the economic value of Digital ID systems

INVEST IN PKI

- Needed for full potential of Digital ID to be realised
- Enables Digital authentication mechanisms for public & private sector services
- Supports security, scalability and reliability of Digital ID systems

LEVERAGE EXISTING PLATFORMS

- Leverage existing technical and governance structures to complement and support use of digital IDs
- Train and incentivize civil servants to onboard & upskill more users
- Align incentives – ensure no conflicting priorities between agents & service providers

BE ALL USER-FRIENDLY

- Design for inclusivity with diverse user groups in mind
- Ensuring that the digital ID system is accessible and user-friendly for all from enrolment to use case engagement

Key policy recommendations on maximizing the economic value of Digital ID systems (cont)

INTEGRATE SILOED REGISTRIES

- Integrate identity registries for effective implementation of digital ID systems
- Promotes interoperability
- Cuts duplicative entries, effort and inefficiencies

FOCUS ON THE KEY USE CASES FOR YOUR COUNTRY

- Assess via cost-benefit analysis
- Focus on highest impact on public service delivery, economic growth, and social inclusion
- Cross reference against broader national development goals

EXPAND INTERNET / MOBILE COVERAGE & DIGITAL SKILLS

- Identify policies to incentivise internet coverage where there are market failures
- Promote access to mobile & smartphone adoption
- Invest in digital skills capacity building
- Communicate economic value of Digital ID to people



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Thank you !

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