

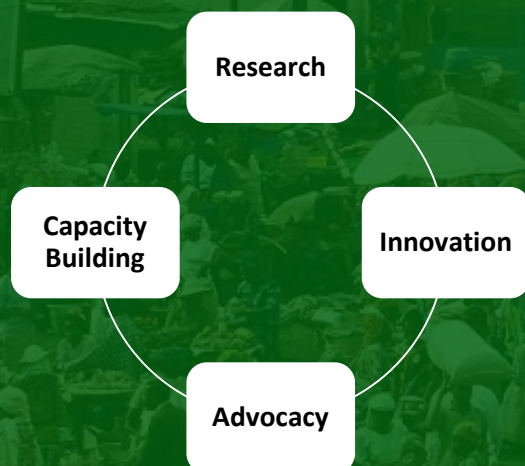


# Innovation Fund



# About EFInA

Enhancing Financial Innovation & Access (EFInA) is a financial sector development organisation that promotes financial inclusion in Nigeria. Established in late 2007, our mission is to make the Nigerian financial system work better, especially for the poor. EFInA works through four pillars:



EFInA is funded by UK Government's Department for International Development (DFID) and the Bill & Melinda Gates Foundation.



**Financial inclusion** is the provision of a broad range of financial products that are relevant, appropriate and affordable for the entire adult population, including the low-income segment.



# EFinA's Strategic Areas

## Focus Areas

### Transformative Advocacy

EFinA will push for an even playing field and support active players most suited to rapidly increase financial inclusion.



### Targeted Intervention in the North

Adults in the North East and North West geopolitical zones are more likely to be financially excluded than those in other geopolitical zones.



### Financial Inclusion 2.0

EFinA seeks to test and support disruptive ideas and redefine financial inclusion.



### Agent Networks

Agents enable delivery of financial services outside of traditional access points such as bank branches.



### Electronic Payments

With e-payments, providers can extend fast, reliable financial services to the mass market in a cost-effective manner.



### Women

EFinA seeks projects that will address obstacles limiting access to financial services among low-income women.



### Youth

Developing financial services that are relevant and affordable for Nigeria's large youth population is essential to driving financial inclusion in Nigeria.



## Cross-Cutting Themes

# About the Innovation Fund

EFInA launched the Innovation Fund in 2009 to promote development and widespread deployment of innovative solutions that can expand financial inclusion in Nigeria.

The Innovation Fund supports projects that:

- Generate new approaches to increase access to financial services for un(der)banked Nigerians
- Extend financial services to under-served populations, such women, youth, Northern Nigerians, and low-income Nigerians
- Demonstrate potential for replication and scale

## Innovation Fund Grant Types



**Technical Assistance Grants**



**Innovation Grants**



**Fintech Challenge Grants**

# Technical Assistance Grants



Support early project stages of an innovative solution that aligns with EFINA's strategic focus areas



Projects last up to 12 months



Up to \$250,000 of EFINA funding



Grantee contributes at least 25% of the project cost



Grant applications are accepted at any time

## Funding can be used for:



Business plans



Market research



Developing products



Determining pricing



Training agents



Piloting/proof of concept



Marketing

## Who can apply:



Licensed financial service providers



Super agents



Mobile network operators



Technology providers

# Innovation Grants



Support large-scale deployment of innovative solutions that have already been piloted



Projects last up to 24 months



Up to \$2,000,000 of EFinA funding



Grantee contributes at least 100% of the project cost



Grant applications are solicited via Requests for Proposals

## Funding can be used for:



Scale deployment of products/services



Training agents



Technical assistance/consulting



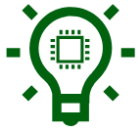
Marketing

## Who can apply:



Eligible organisations are specified in each Request for Proposals

# Fintech Challenge Grants



Support innovative use of digital technology to address specific financial inclusion challenges



Projects last up to 12 months



Funding amount varies by challenge round



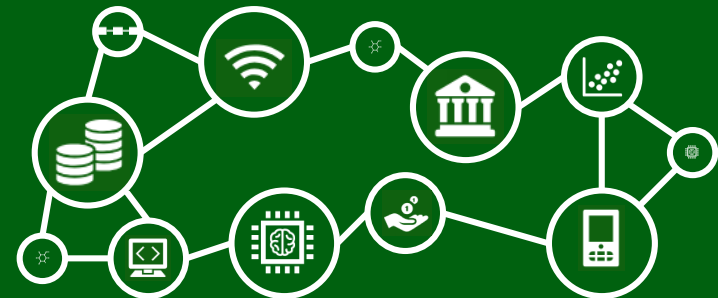
No minimum requirement for grantee funds match



Grant applications are solicited via Requests for Proposals



Funding is used to develop, pilot and/or deploy an innovative, technology-based solution to a financial inclusion problem



Start-up and growth stage Fintech companies in Nigeria are eligible to apply





*"The history and success story of financial inclusion in Nigeria cannot be completely told without acknowledging the impact that EFInA has brought to bear ... [EFInA's] Innovation Fund has significantly elevated the capacity of financial inclusion stakeholders to embrace the very many challenges thereto, creating strong hope for a trusted partnership for the future."*

- Rogers Nwoke, Managing Director/CEO, Hasal Microfinance Bank

*"EFInA has been an invaluable resource to Paga for about nine years now. We view the organisation as a partner in pursuing our mission of delivering quality financial services to unbanked and under-banked households across Africa."*

- Jay Alabraba, Director, Business Development, PAGA



# Innovation Fund Achievements



**20**

**Technical Assistance Grants**



**12**

**Innovation Grants**



**\$18,000,000**

of grant funding awarded



**>1,750,000**

Active customers acquired  
through EFINA-funded  
projects, of which more than

**> 750,000**  
are women



**>16,000**

Active agents acquired through EFINA-funded  
projects, of which more than



**10,500**  
are in Northern  
Nigeria

**> 5,000**  
are women

# Innovation Fund Grantees



# Innovation Fund at Work: Diamond Y'ello “Winning the North”

The Diamond Y'ello account enables customers to save money and make financial transactions via an MTN-registered mobile phone. EFINA awarded the Diamond Y'ello team an Innovation Grant to expand financial services to the un(der)banked, particularly in Northern Nigeria. With EFINA's support, Diamond Y'ello conducted project, agent and customer research to better understand customers' financial needs and develop solutions following a human-centric design approach. The grant also enabled Diamond Y'ello to expand awareness of its services among Northern Nigerians, develop its agent network, and deploy Diamond Y'ello at scale in the North.

With EFINA's support, Diamond Y'ello:

- Registered more than 1.1 million customers in Northern Nigeria
- Increased the number of female customers from 12,000 to more than 253,000
- Acquired nearly 10,000 agents nationwide, more than half of whom were women





## Innovation Fund at Work: FCMB Group Lending & Agency Banking

EFInA awarded First City Monument Bank (FCMB) an Innovation Grant to scale deployment of its group lending (microfinance) and agency banking solutions. The bank implemented an agent banking application and enabled agents to carry out customer registration, loan management and banking transactions via Point of Sale (PoS) terminals and mobile devices. The bank also invested in building financial literacy and awareness of its services through targeted campaigns and agent deployment.


With EFInA's support, FCMB:

- Provided loans to more than 110,000 customers, of which more than 99,000 were women
- Doubled the number of branches offering group lending services
- Acquired more than 80,000 active bank customers via agents
- On-boarded more than 780 active agents, of which more than 300 were female

*"EFInA's support has enabled FCMB to make its footprints across the low-income population in Nigeria through the Group Lending and Agency Banking models, while we maintain a digital approach to our account opening and loan application processes. EFInA's meticulous style of following through projects has helped many financial institutions like ours ascertain the long-term commercial viability of financial inclusion."* - Adetunji Lamidi, MD, FCMB Microfinance Bank

# Innovation Fund at Work: Access Bank

## “Better Mama Better Pikin”



EFInA awarded Access Bank a Technical Assistance Grant to pilot its “Better Mama Better Pikin” product, a mobile microsavings product that also includes access to medical insurance (with a focus on maternal care) and life insurance. With EFInA’s support, Access Bank refined its technology; recruited and trained agents; and conducted outreach to target customers, including through educational ante-natal sessions. During the pilot, Access Bank acquired more than 8,500 active customers and identified key learning to help the bank adjust the product for wider deployment.

*“Delivering the financial inclusion mandate is such an enormous task that not only requires huge financial resources but also other non-financial resources such as access to data, useful insights from other similar markets, continuous training, regulatory influences etc. EFInA provides all that and more. EFInA serves as the bridge connecting all the relevant stakeholders in the mobile financial services ecosystem in Nigeria.” - Maryann Ezechukwu, Group Head, Channels Sales Group, Access Bank Plc.*



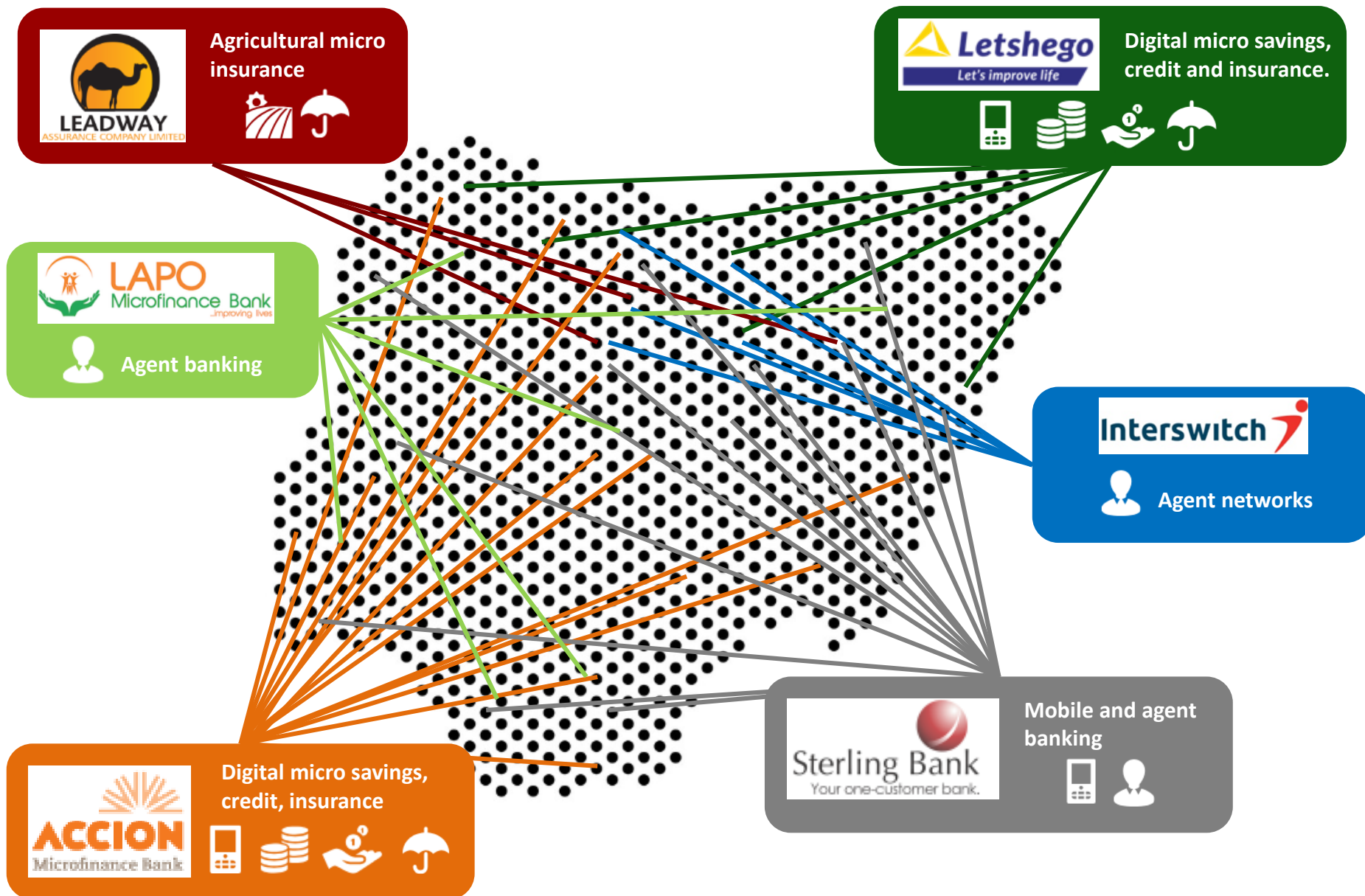
# Innovation Fund at Work: LAPO Microfinance Bank Agency Banking

LAPO Microfinance Bank sought to build a pervasive agent network that could reach the unbanked and under-banked population, and to increase their client base and deposit mobilisation. EFINA awarded LAPO a Technical Assistance Grant to pilot its agent banking initiative in 10 states. During the pilot, LAPO acquired more than 3,000 active customers and surpassed targets for total value of deposits mobilised. Having tested and fine-tuned their approach to agent banking, LAPO is now set to put agent banking at the core of their channel delivery and future growth.

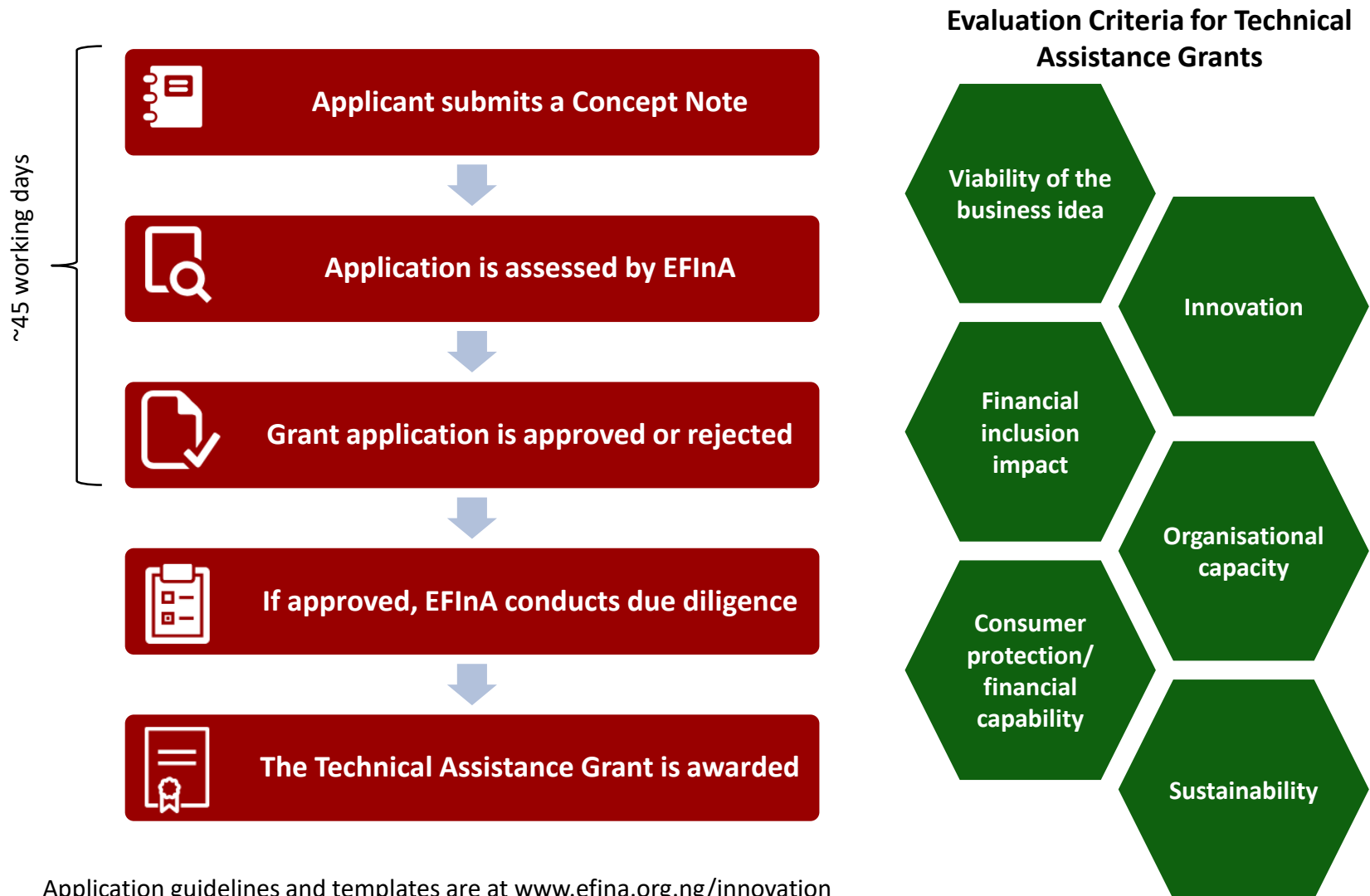




# Innovation Fund at Work: Current Grants



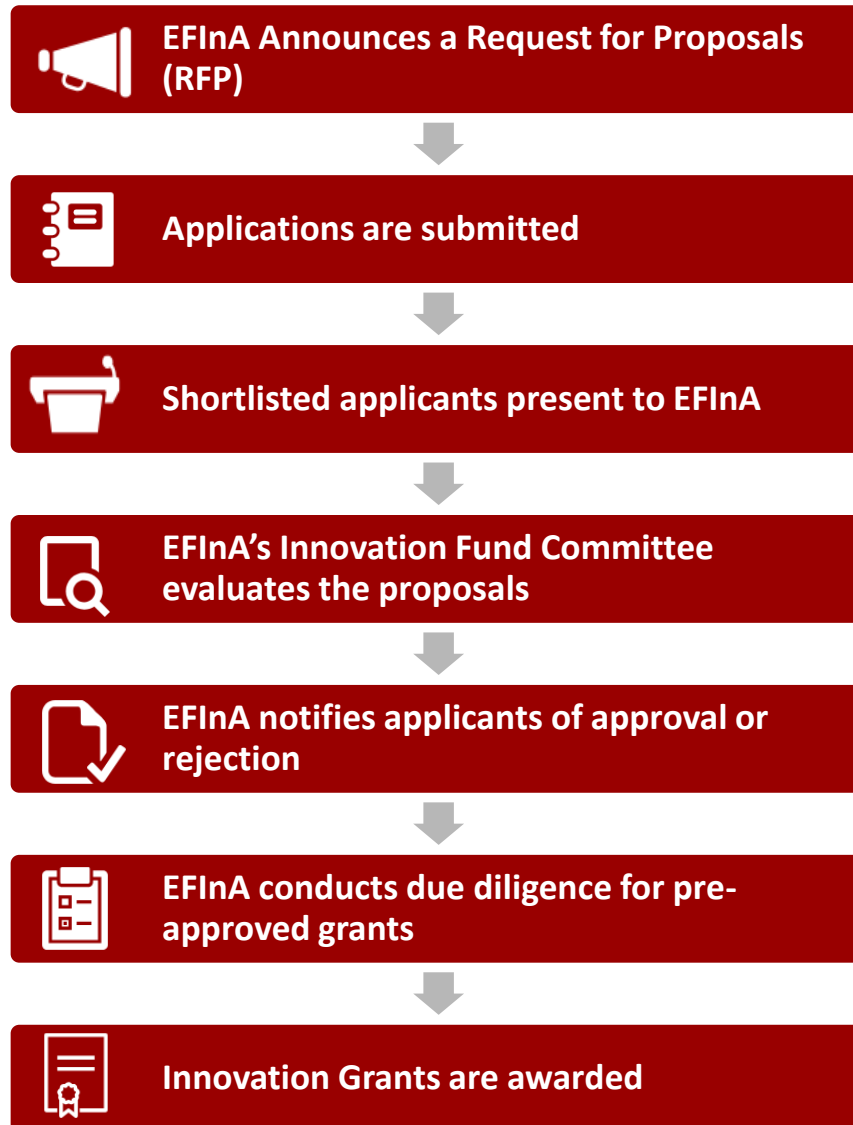
# Technical Assistance Grant Application Process



Application guidelines and templates are at [www.efina.org.ng/innovation](http://www.efina.org.ng/innovation)

# Innovation Grant Application Process

~80 working days



Innovation Grant and Fintech Challenge Grant applications are solicited via formal Requests for Proposals (RFPs) that seek innovative solutions to specific financial inclusion objectives.

RFPs are announced on the EFInA website, via email, and through local media and launch events. To be added to the mailing list, contact [innovation@efina.org.ng](mailto:innovation@efina.org.ng)





# Fintech Challenge Grant Application Process



**EFInA Announces a Request for Proposals (RFP)**



**Applications are submitted**



**Applications are evaluated on a competitive basis**



**EFInA notifies applicants of approval or rejection**



**EFInA conducts due diligence for pre-approved grants**



**Challenge Grants are awarded**



# Monitoring, Evaluation & Learning

To maximise impact of the Innovation Fund, EFinA conducts monitoring and evaluation of all grants. Activities include:



Monthly and  
Quarterly  
Reports

Audits

Site Visits

Project  
Completion  
Report

Evaluations





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