





2021 ANNUAL REPORT





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CONTENTS

	In Focus:	Promoting a Paradigm Shift for ID and G2P Payments			
IDENTIFICATION FOR DEVELOPMENT	PILLAR I	THOUGHT LEADERSHIP AND ANALYTICS			
		Cash Transfers in Pakistan			
	PILLAR II	GLOBAL PLATFORMS AND CONVENING. Spotlight 3 – Toward Cross-Border Interoperability of Digital ID in Africa			
	PILLAR III	COUNTRY AND REGIONAL ACTION			
G2Px	PILLAR I	THOUGHT LEADERSHIP AND ANALYTICS			
PAYMENTS THAT EMPOWER	PILLAR II	GLOBAL PLATFORMS AND CONVENING			
	PILLAR III	COUNTRY AND REGIONAL ACTION			
	Going For	ward			



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High-level Advisory Council

FOREWORD

The COVID-19 pandemic has accelerated digitalization in ways that were unimaginable just two years ago, highlighting the fundamental role that digital ID and government-to-person (G2P) payment ecosystems can play in helping a country to deliver services and social assistance to its people rapidly, effectively and responsibly.

Crucial to this agenda, the World Bank Group's sister initiatives Identification for Development (ID4D) and Digitalizing G2P Payments (G2Px) enjoyed another successful year in 2021, marking the fifth anniversary of the ID4D's Multi-Donor Trust Fund (MDTF) partnership platform which now includes G2Px.

Throughout the achievements covered in this Annual Report, you will see how both initiatives have grown across all three pillars of work: thought leadership and analytics, global platforms and convening, as well as country and regional action, adapting to rapidly changing landscapes. In 2021, demand increased significantly as countries sought to use ID systems and digitized G2P payments to respond to and recover from the pandemic.

ID4D helped 49 countries on the design and implementation of inclusive and trusted ID and civil registration systems. Thirty five countries are receiving World Bank financing, with potential to provide better IDs and civil registration documentation for up to 470 million people over the next five to seven years.

G2Px helped 33 countries modernize their government-to-person programs including in Nigeria, where social assistance will be expanded to allow up to 10 million families to receive payments directly through accounts. G2Px has also developed policy and technical guidance on scaling up social assistance during the pandemic, including on approaches to leverage digital assets and payments to target and deliver benefits. G2Px also collected administrative data on G2P payment methods for the first time across almost 100 countries.

Going forward, a paradigm shift in how ID ecosystems and G2P programs are designed and implemented will be called for, to allow for the coverage, speed, scale and sustainability that are needed to reap transformational benefits, while also ensuring inclusion and trust. Some important actions that countries can take, with ID4D and G2Px support, include establishing strong leadership and ownership, conceiving ID and G2P payment systems as part of digital public infrastructures, and applying people-centered design to reduce exclusion and improve user experience. More recommendations are available in the Annual Report's feature story.



As in previous years, the success of these initiatives would not have been possible without the wonderful collaboration and generous support of our partners: The Bill & Melinda Gates Foundation, who made the catalytic investment in the MDTF partnership platform in 2016, the UK government, the French government, the Omidyar Network and the Norwegian Agency for Development Cooperation (NORAD), who joined the MDTF partnership platform last year. We also appreciate the strong partnership with countries, United Nations (UN) agencies, international financial institutions, regional bodies, civil society, academia and research communities, as well as the private sector.

I am enthusiastic for the opportunities that lie ahead for the ID4D and G2Px partnership to help countries harness digital transformation for a more broad-based and resilient recovery, putting them on a path towards green, resilient, and inclusive development. We must make sure that the new opportunities being created by digitalization are indeed for all people to enjoy better lives and livelihoods.

We look forward to working together to realize this shared vision!



ID4D & G2Px ANNUAL REPORT 2021

IN FOCUS

Promoting a Paradigm Shift for ID and G2P Payments

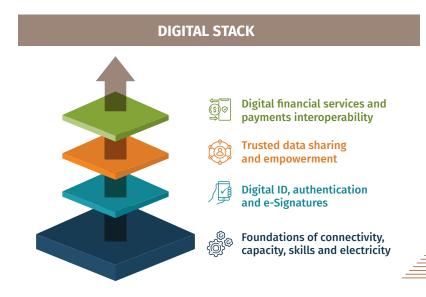
The COVID-19 pandemic has highlighted the importance of digitalized ID and government-to-person (G2P) payment ecosystems for effective and equitable response, recovery, and resilience. Countries that had strong digital ID, digital databases, and digital payments pre-pandemic were able to leverage these to target new social assistance beneficiaries at a higher scale and make payments more efficiently and safely through digital methods. Similarly, these countries could maintain at least some continuity of service delivery by shifting from physical to remote channels.

However, the crisis also showcased how traditional approaches may not always allow for the coverage, speed, scale, and sustainability that are needed for these positive benefits. This—combined with the experiences of leading digital nations, advances in technology and global evidence on when and how this technology can be appropriately applied—has provided new global momentum for shifting the paradigm of how digital ID and G2P payment ecosystems are designed and implemented.

Many twentieth century ID systems were primarily intended as administrative systems to maintain a database of the population and issue a physical credential. These have not always provided people with easy and convenient tools to verify their identity and exercise agency over their personal data. Nor have they necessarily offered service providers an interoperable and responsive platform or ecosystem to leverage for reliable identity verification, and thus to build their services on top.

Some traditional ID systems also collect more data than what is really needed, creating additional cost and data protection concerns. Poor security and out-of-date infrastructure put people's personal data at further risk, while vendor and technology lock-in and limited use of open standards often means that systems are not fit-for-purpose or adaptable to emerging good practices.

FIGURE 1





Barriers to access and use have also been common in many legacy ID and civil registration systems, including paper-based ones, typically affecting the most vulnerable people. Access can be restricted to nationals only or made difficult for particular groups, direct or indirect costs to register can be too high, and complex bureaucratic procedures and supporting document requirements for registration or updating information can exclude many people.

Similarly, delivery of G2P payments has tended to prioritize efficiency within each program or ministry over recipients' benefits and experiences, and efficiencies for the government as a whole. For example, social assistance beneficiaries may need to travel long distances or spend many hours in line to receive physical cash. And even when payments are digital, some programs might only use a particular financial service provider, rather than giving the beneficiary the choice of payment method and provider most convenient to them. In some cases, accounts opened on behalf of recipients limit how they can be used, such as only receiving payments from government programs and cashing out, thus excluding other payments and savings. This has happened even in countries where significant progress has been made toward interoperability of payments and simplified know your customer (KYC) processes to make account opening easier for both the recipient and the financial services provider.

As a result of these inefficiencies, the full set of potential benefits that could be achieved through holistic G2P program digitalization have often been missed. This includes deepening access to financial services, economic empowerment of women, and equipping people with tools that allow them to participate more meaningfully in the digital economy and other opportunities.

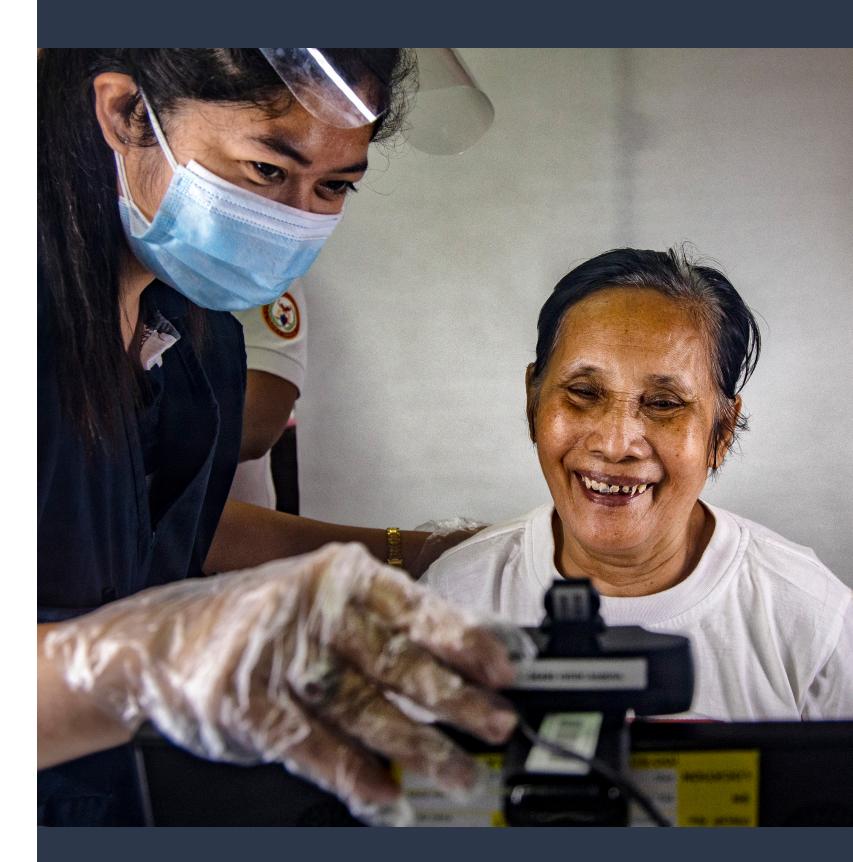
The pandemic has highlighted these missed opportunities, and many counties have recognized that a business-as-usual approach to ID and G2P payments does not always allow for truly inclusive and transformational digitalization. Instead, this requires a collective paradigm shift in how these ecosystems are designed, implemented, and used.

Over the past five years, ID4D has helped countries to build the next generation of ID and civil registration ecosystems and promoted paradigm shifts to address these challenges globally. For example, the ten *Principles on Identification*—first developed in 2017 and updated in 2021—were intended to address common issues in legacy approaches to ID, as described above. Likewise, since G2Px was established in 2020, it has supported countries to capitalize on the transformational potential of digital G2P payments by adopting people-centric, whole-of-government approaches.

These experiences have shown that there are key actions countries can take to unlock their own paradigm shift towards building digital ID and G2P payments ecosystems that empower people and support sustainable development outcomes, which include:

- 1. Establish strong leadership and ownership: There are multiple challenges to shifting these paradigms and addressing them requires the ability to cut through bureaucracy and obstruction. Leadership should be at the highest levels of government, providing an overall vision, but also at the technical levels. Some countries have established digital transformation agencies at the apex of their governments with responsibility for policy and sometimes also for elements of execution. Depending on the country context, it can be beneficial to provide autonomy to ID agencies or move them to ministries that are more conducive to the paradigm shift, a service-mindset, and the adequate skillset, such as ministries of ICT and digital economy.
- 2. Conceive ID and G2P payment systems as part of digital public infrastructure (DPI) and 'digital stacks': DPIs facilitate basic but widely useful functions at a societal scale, such as platforms for digital ID, digital payments, and data exchange. When individual DPIs can work together seamlessly to support other systems and processes, they are part of a "digital stack," which enable paperless, cashless, remote, and data-empowered transactions. Examples include the India Stack and Singapore's National Digital Identity

- Stack. Given the inherent cross-cutting nature, "digital stacks" require a comprehensive whole-of-country approach. Furthermore, they rely on open design principles, including allowing third parties to interface through open interfaces under a trust framework.
- 3. Foster trust through legal and institutional frameworks, especially for data protection and cybersecurity: Protecting the integrity of information, safeguarding against misuse, and fostering trust in systems and data is at the core of successful digital transformation. A trusted data ecosystem requires responsible data sharing, accountability-based personal data regimes, and additional controls when data is shared across geographies, entities and sectors. Creating a trust environment includes but goes beyond data protection. Improving cybersecurity and curtailing cybercrimes also serve to increase trust in digital transactions. One of the key components is to implement legal and regulatory frameworks, which protect people and other users from harm and risks involved when engaging in digital activities. Institutional capacity to monitor, enforce and build awareness around the rights of data subjects is also a critical element. Trust can also be strengthened through transparent and participatory processes for designing ID ecosystems and G2P payments.
- 4. Apply human-centered design to reduce exclusion and improve user experience: ID and G2P payments ecosystems achieve the greatest impact when they are designed for all segments of society, with deliberate efforts to remove barriers that vulnerable populations face. Unconsidered application of digital technologies and automation on existing suboptimal systems and processes can exacerbate other problems, especially exclusion in contexts where digital access and skills are low and human interventions to overcome barriers are removed. Institutionalizing human-centered design and other "bottom-up" approaches such as public and civil society consultations and research (in contrast to "top-down" mandates) can facilitate understanding and empathy with the people being served and help ensure that systems are responsive to real needs and concerns. As part of this, systems should always have manual options or alternatives in place to ensure accessibility for populations who may have difficulty with technology, and to provide continuity for key services when systems are down.
- 5. Promote the use and development of context-appropriate digital public goods (DPGs): DPGs are open standards, open-source software, open content, and other open digital items that are non-excludable and non-rivalrous. They can enable greater flexibility, scalability, interoperability, adaptability, and sustainability of systems, which are necessary features of ID and G2P payment ecosystems designed for broad public benefit. Furthermore, systems that incorporate DPGs can reduce risks of vendor capture and technology lock-in and promote country ownership, capacity building, local industry development, and local and international collaboration. In some countries, public budgeting and procurement frameworks need to be updated to enable adoption of DPGs as these are not necessarily purchased in traditional ways like products and services.
- 6. Make the most of opportunities to federate and decentralize digital IDs and data: Centralized ID systems and other registries can play important roles as authoritative sources of relevant data. However, advances in federated and decentralized protocols and standards have enabled the creation of ID and credential provider ecosystems and personal data wallets that offer alternative approaches to verifying identities and other data with the same levels of trust and assurance. They also have the additional benefits of interoperability and portability and providing people with greater control over their personal data.





OVERVIEW OF THE ID4D INITIATIVE



An estimated one billion people worldwide, often individuals within the most marginalized and vulnerable groups, lack a foundational ID. Many more have IDs that are ill-suited for the digital age or put their privacy at risk.

ID4D's goal is to help countries build inclusive and trusted ID and civil registration ecosystems that increase access to—and the quality of—services and economic opportunities, promote realization of rights, and empower people with more control over their personal data.





ID4D combines global knowledge, cross-sectoral expertise, technical and financial assistance, and strong partnerships to help countries realize the transformational potential of inclusive and trusted ID and civil registration ecosystems.

The need to close coverage and quality gaps in ID and civil registration has only been made more urgent by the COVID-19 pandemic, given their critical role for response, resilience, and recovery.





ID4D is currently helping 49 countries to implement ID and civil registration ecosystems. This includes shaping \$1.5 billion in financing in 35 countries, with potential to support better IDs and civil registration documentation for up to 470 million people. This work is guided by the *Principles on Identification* for Sustainable Development.

ID4D works across three mutually reinforcing pillars:

- Pillar I. Thought Leadership and Analytics
- Pillar II. Global Platforms and Convening
- Pillar III. Country and Regional Action





Links between ID4D's global analytic and convening work and our country and regional action allow our client countries to effectively translate this knowledge into practice. Similarly, experience in countries informs new research and surfaces new guidance and good practices for broader dissemination.



PILLAR I.

THOUGHT LEADERSHIP AND ANALYTICS

In 2021, the ID4D initiative continued to advance the understanding of good practices related to identification for development, develop rigorous evidence on the impact of ID, and disseminate guidance and tools to practitioners. This year, the content of this work has focused on meeting demands from country clients, filling important knowledge gaps, and producing new data to track access to ID and better understand the prevalence and nature of existing ID ecosystem models.

ID AND COVID-19

A suite of notes were prepared to provide guidance on ID and COVID-19. This included an issue note on *The Role of ID systems in COVID-19 Responses, which* provides an overview of how countries have used ID systems for the design, targeting, and delivery process of COVID-19 response programs, including to move from physical cash to digital payments, as well as to facilitate mobile and online access to benefits or vaccines. ID4D has also partnered with the Digital Development Partnership (DDP) to complete a practitioner's note on *Digital ID Systems as an Enabler of Effective COVID-19 Vaccination* as part of a series on digital aspects of COVID-19 vaccine delivery. The note provides an overview of how ID systems were used to identify vaccine beneficiaries proactively, verify their identity during registration, certify the vaccination and enable interoperability between systems. While digital ID systems can help improve vaccination deployment, the note emphasizes that an ID should never be a requirement for vaccination.

EMERGING MODELS
FOR DIGITAL ID:
FEDERATION AND
DECENTRALIZATION

As service delivery increasingly moves online, countries have adopted a variety of models and approaches to translate official or legal ID into the digital world and create greater functionality and empowerment of people. In contrast to more traditional models with a single central ID provider (IDP), a number of countries have developed federated ecosystems of multiple IDPs that provide government-recognized identity verification services governed by a trust framework. This offers potential benefits (such as increasing choice, competition and innovation), but also involves a number of challenges (such as the capacity to effectively develop and supervise regulations and standards).

To help countries better evaluate the appropriateness of this approach in their own contexts, ID4D has completed a primer on federated digital ID ecosystems. This paper will be published in early 2022 and provides an overview of the basic types and components of identity federation and its specific benefits and risks, as well as translating lessons from countries who have adopted federations (mostly high-income economies) to the context of low- and middle-income economies.

At the same time, credible standards and real-world applications for decentralized approaches are emerging, and hold great promise to promote even greater choice, portability, and data protection. It will be important, however, that these are designed with due consideration of the conditions in developing countries, including with respect to digital literacy, connectivity, and capacity. ID4D will continue to follow and contribute to relevant discussions, provide advice to governments, and publish knowledge resources to assist client countries to understand these innovations and adapt them locally.

NEW DATA AND RESEARCH

In addition to cross-national data collection — including launching the update of the ID4D Global Dataset, the 2021 World Bank Global Findex Survey, and additional data partnerships described in Spotlight 2 — ID4D is working to support individual countries with the data they need to ensure the success and inclusivity of ID systems and widen the global evidence base. As illustrated in Figure 2, ID4D has scaled up efforts to help design and implement comprehensive learning and evaluation strategies through mixed-method research, including qualitative studies, better administrative data collection, monitoring and evaluation, pilot studies, and longer-term impact evaluations such as the BISP BVS Impact Evaluation described in Spotlight 1. By embedding research and data collection throughout the project lifecycle, countries will be better equipped to design responsive and responsible ID systems, track progress, quickly identify and respond to implementation issues, and rigorously measure impact.

THOUGHT LEADERSHIP AND ANALYTICS

For example, new qualitative studies designed to understand people's experiences and preferences related to ID and the barriers faced by marginalized and vulnerable groups are being completed in Timor-Leste and will soon be launched in Madagascar and Mexico with the goal of providing critical inputs for governments on system design. In the Philippines, ID4D has worked with a team of academic researchers to help design a process evaluation survey that will measure people's early experiences with registration in the new Philippine Identification System. This survey will provide the Philippine Statistics Authority with essential insights to more effectively scale up coverage nationwide and mitigate any emerging challenges.

RESPONSIBLE USE OF TECHNOLOGY

ID4D has created a suite of knowledge products designed to help practitioners better understand the benefits and risks of biometric recognition and reduce the information asymmetries they often face when deciding whether (and if so, how) to use this technology responsibly. As a capstone piece, a *Biometrics Primer* will provide (1) an overview of when and how biometric recognition can be appropriately used in foundational ID systems; (2) guidance on designing biometric systems that align with the *Principles on Identification* and mitigate common problems related to exclusion, technology failures, and vendor lock-in; and (3) good practices to ensure that the deployment of biometric technology in ID systems is fair, accessible, inclusive, and protective of people's data and privacy.

This work is complemented by a background paper that explores methods for Establishing Unique Identities Using Biometrics and Alternatives, and two new evidence notes that provide more data on experiences with the use of biometric verification at the point of service- and cash delivery for social protection programs and other services. Each of these pieces will be published in early 2022.

FIGURE 2

Elements of Comprehensive Learning and Evaluation Strategy



1. Monitor key indicators Measure progress toward project targets and goals

to the public



2. Process evaluation Evaluate performance of technology and procedures



3. Early impact studies and trials Rigorously test and improve pilot and roll out strategies



4. Longer-term impact evals Measure the impact of the ID system on priority outcomes

• Compare the effectiveness of different options to see what works best









Qualitative data

A successful ID system requires rich feedback throughout the project cycle

What is the impact of the ID system? What kind of ID system should we build? • How does it affect people's access Current level of access/use of IDs to services? • Weaknesses of the current system that • How does it impact administrative can be improved costs and fraud? Barriers and needs of specific groups How does it affect the private sector • Public preferences and concerns about (e.g., transaction costs)? ID systems and how they are used ing for service Planning delivery Are we achieving our goals? How well do the plans work? Piloting and scale-up • Monitor and evaluate systems and • Evaluate technical performance of the system (e.g., biometrics) and evaluate • Identify and address unforeseen issues internal processes (e.g., registration, issuance, delivery of IDs, etc.) as they arise • Test procedures and software to • Track progress toward targets (e.g., identify areas for improvement (e.g., coverage) ensuring universal accessibility) • Provide accurate and transparent data

PILLAR I.

SPOTLIGHT #1

Impact Evaluation on the Use of Biometric Verification for **Cash Transfers in Pakistan**

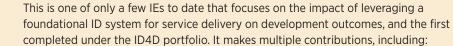
Background

Pakistan's Benazir Income Support Program (BISP) provides unconditional cash transfers to women in 7 million of the country's poorest households. Beginning in 2017, BISP began reforming its payment process in response to challenges with the existing debit card system. The goal of these reforms—collectively referred to as the Biometric Verification System (BVS)—was to streamline the payment process and help ensure that women beneficiaries received their funds. They included changes in:

- Authentication technology: Under the BVS system, beneficiaries confirm their identity at payment points using fingerprint verification against the national ID database; previously, they authenticated using debit cards and PINs, which were often lost, forgotten, or shared.
- In-person collection: As fingerprints are used for authentication, beneficiaries must come individually to collect payments; before BVS, many women would send male relatives or community members to withdraw money on their behalf with the debit cards.
- Reliance on retail payment agents: Because many of the ATMs used previously were not biometrically enabled, many beneficiaries switched from collecting payments at ATMs to collecting them from agents at point-of-sale (PoS) locations and shops.

BVS Impact Evaluation

With support from ID4D and the World Bank's Impact Evaluation unit (DIME), a team of researchers at Duke University, the London School of Economics, the University of Geneva, and the University of California, Berkeley recently completed an impact evaluation (IE) using the gradual rollout of BVS reforms across districts between 2017 and 2019 to rigorously quantify its impact on women's control over cash and experience with service delivery.



- Estimating the impact of the BVS reforms on whether women collect benefits directly and how often they access funds; including testing whether more marginalized women who are mobility-constrained have better or worse experiences with the new system.
- Measuring whether the reforms led to changes in women's control over cash within the household due to direct collection, as well as the amount of money they receive and other transaction costs.
- Unpacking the impact of different aspects of the BVS reforms, including the use of biometric technology and the increased reliance on retail payment agencies.

This IE therefore provides important lessons from BISP that may be useful for other policymakers considering similar technology for the delivery of social benefits and those working to ensure that cash transfers effectively empower women. A forthcoming ID4D evidence note summarizes the results of this study, which will also be published as a full working paper.





PILLAR I

SPOTLIGHT #2

ID4D Global Dataset - Evolving Approach, **Data Challenges and Initial Findings**

The ID4D Global Dataset is recognized as an important primary source of information on the coverage and characteristics of ID systems across the world. In early 2021, ID4D launched an extensive data collection effort for the latest edition of the dataset, which will include an expanded set of qualitative indicators on ID system features and level of digitalization. It will also update global coverage estimates, incorporating new data from the 2021 ID4D-Global Findex Survey, the only representative survey of ID coverage across more than 100 economies.

The process began with gathering publicly available information from official sources on ID systems across 198 economies. This data is currently being supplemented and validated through expert review and direct outreach to ID authorities in over 120 economies. The final indicators and global estimates are expected to be released in mid-2022 following peer review.

ID4D Global Dataset Update

Supplementary Data Initial Data Collection Analysis **Collection and Validation** Official web WB & partner data Data cleaning & Calculate global Country Expert Questionnaire ndicator coding estimates sources and expertise

Collect primary/official documents and information from and in-country partner data collection and summarize key information

Send questionnaire to relevant ID authorities in country for completion/validation/updating



Basic country data

Validated / improved data



Indicators coded based on validated country data + other

sources (e.g., Findex, WDR, WBL, UNICEF, etc.) and used to

generate global estimates of ID coverage and other features.

This analysis is then peer reviewed before publication.

Country-level **Global indicators** indicators and analysis



Review

Over the last two years, ID4D has also expanded its data partnerships, entering new collaborations with initiatives such as the World Development Report, Women, Business and the Law, and the Global Financial Inclusion and Consumer Protection survey to help yield further insights on the accessibility and use of ID systems.

Through ID4D's contribution to the 2021 World Development Report's Data Regulation Survey, new data on the use of unique identifiers and digital identity verification from 80 economies were collected and published in spring 2021. The data suggest that service providers can make use of digital identity verification and authentication in a growing number of economies. However, private sector service providers such as banks or insurance companies are not always able to make use of these ID system features, even where public entities can do so. The prevalence and use of digital ID systems that enable secure authentication for remote, online services and transactions is significantly lower and practically non-existent among low-income economies, reflecting broader gaps in digital infrastructure, capacity, access, and literacy.





PILLAR II.

GLOBAL PLATFORMS AND CONVENING

In 2021, advocacy efforts helped steer and strengthen global and country commitments around the critical themes of inclusion, accountability, and trust—the foundation of "Good ID." These efforts included facilitating a process to update the Principles on Identification, deepening engagement with civil society organizations (CSOs), promoting better public and stakeholder engagement for ID and civil registration projects, and building capacity through webinars and targeted knowledge exchanges.

A "REFRESH" OF THE PRINCIPLES ON IDENTIFICATION FOR SUSTAINABLE DEVELOPMENT When the Principles on Identification for Sustainable Development were first published in 2017, the endorsers committed to revisit them every few years to reflect emerging lessons. This update began in 2020 with a facilitated series of virtual meetings, public call for comments, and a CSO consultation in August 2020. Based on these inputs, a revised version of the Principles was published in 2021. Since early 2021, the revised Principles have been endorsed by 30 organizations and continue to serve as a "north star" for global advocacy and country action to support ID and civil registration systems that advance sustainable development and leave no one behind. The revised Principles were also translated into five languages (French, Spanish, Arabic, Portuguese, and Russian) for improved dissemination.

PRINCIPLES ON IDENTIFICATION

FOR SUSTAINABLE DEVELOPMENT

Ensure universal access for individuals, free from discrimination



Remove barriers to access and use



Establish a trusted— unique, secure, and accurate—identity



Create a responsive and interoperable platform



Use open standards and prevent vendor and technology lock-in



Protect privacy and agency through system design



Plan for financial and operational sustainability



Protect personal data, maintain cyber security, and safeguard people's rights through a comprehensive legal and regulatory framework



Establish clear institutional mandates and accountability



Enforce legal and trust
frameworks through independent
oversight and adjudication of
grievances



You can visit the new website for the Principles at www.idprinciples.org

Principles on Identification Endorsing Organizations























ID4D & G2Px ANNUAL REPORT 2021









































CSO CONSULTATIONS

GLOBAL PLATFORMS AND CONVENING

ID4D is supporting its country clients and other ID practitioners to proactively engage with CSOs, which is vital to ensure fully accessible and people-centric ID system design and implementation. For example, ID4D convened a workshop with 40 CSO representatives in May 2021 to gather inputs for a new guide to help countries ensure continuous CSO engagement throughout ID system design and implementation (see Spotlight #2).

CAPACITY BUILDING

Capacity building efforts included the continuation of effective peer-to-peer knowledge exchanges on a diverse set of topics from strategies for seamless linkages between civil registration and ID systems to the appropriate use and trade-offs of different technologies, such as biometrics smart cards, and QR-based credentials. Countries that participated in these excahnges included Argentina, Bolivia, Indonesia, Lesotho, Peru, the Philippines, Rwanda, Timor-Leste, and Uganda, among others.

WEBINARS

A new public webinar series, called "Get to Know ID", was launched to encourage countries to share new developments and lessons learned. In 2021, the series has featured the Netherlands, France, and the EU's eIDAS digital identification scheme, with multiple new country presentations planned for 2022. Additional webinars held in 2021 focused on strategies for preventing exclusion and discrimination for some of the most vulnerable populations, including people with disabilities and sexual orientation and gender identity (SOGI) groups.

IDLand

A collaboration with the Institute for Technology and Society of Rio de Janeiro (ITS Rio) developed the first prototype of a policy game, named IDLand, which pilots a new approach to advocacy and capacity-building. First conceived by ITS Rio and featured as a finalist in the first Mission Billion Challenge, IDLand offers a platform where ID practitioners and others can explore different scenarios for ID system planning and design, make policy and implementation decisions, and see their implications on inclusion, trust, and the evolution of an imaginary ID system. The scenarios and guidance featured in the game have been informed by international good practices and the "Principles on Identification". The beta version of the IDLand game will be launched in early 2022, with the goal of soliciting additional user feedback.

"Get to Know ID" Webinar Series



1. Netherlands: New Strategy for Digital Identity

- Reliable data-sharing, organizing access to digital services
- Issuing a recognized foundational digital identity
- Cross-border digital authentication



2. EU: A European Framework for Decentralized Digital Identity Wallets

- Transition from elDAS to EU Digital Identity Framework
- Achitecture for the EU Digital Identity wallet
- Onboarding and use from a person's perspective



3. France: FranceConnect for Public Sector e-Services

- Creation of digital identity federation
- Key use cases

... More forthcoming...

GLOBAL ADVOCACY

In 2021, ID4D participated in a range of global fora and events to raise awareness for the critical role of ID in development, share good practices, and shape the dialogue around global priorities and emerging challenges. A selection of these platforms and events are summarized below.

Digital Financial Inclusion for Women in Africa September 2021



International Day of Persons with Disabilities

December 2021



Civil Society Policy Forum October 2021



Continental Digital ID Framework Consultative Workshop July 2021



Societal Health in the Digital Era November 2021



Women in Identity, In conversation with *March 2021*



SPOTLIGHT #3 Toward Cross-Border Interoperability of Digital ID in Africa

It is a pivotal moment for ID in Africa. Many African countries are in the process of modernizing their foundational ID systems and introducing new digital identity verification capabilities, including to enable secure online transactions. These efforts are closely interlinked with broader national, regional, and continental strategies to accelerate the transition to digital governments, economies and societies. The momentum is also boosted by an enabling environment for cross-border digital use cases created by the African Continental Free Trade Area (AfCFTA) agreement and Regional Economic Communities (RECs).

In 2020, African countries adopted the Digital Transformation Strategy for Africa, which recognizes the role of digital ID as a key enabler for unlocking the potential of a continental single digital market. 2021 saw significant progress for translating this vision into action.

The African Union Commission (AUC) convened a task force in June 2021 comprising the World Bank, RECs (ECOWAS, EAC, IGAD, SADC), GIZ, AfDB, ITU, UNECA, GSMA, ITU, Smart Africa and others to develop a Framework for Digital ID Interoperability for Africa with the ultimate goal of enabling people to use their digital IDs to access services and payments, from anywhere. ID4D provided inputs on the proposed technical architecture, bringing in experiences and good practices from countries and other regions to underline the importance of open standards and technology neutrality and advocating for a flexible solution, which can accommodate a multitude of credentials that may be used across borders (e.g., academic qualifications and certificates, driving licenses etc.).

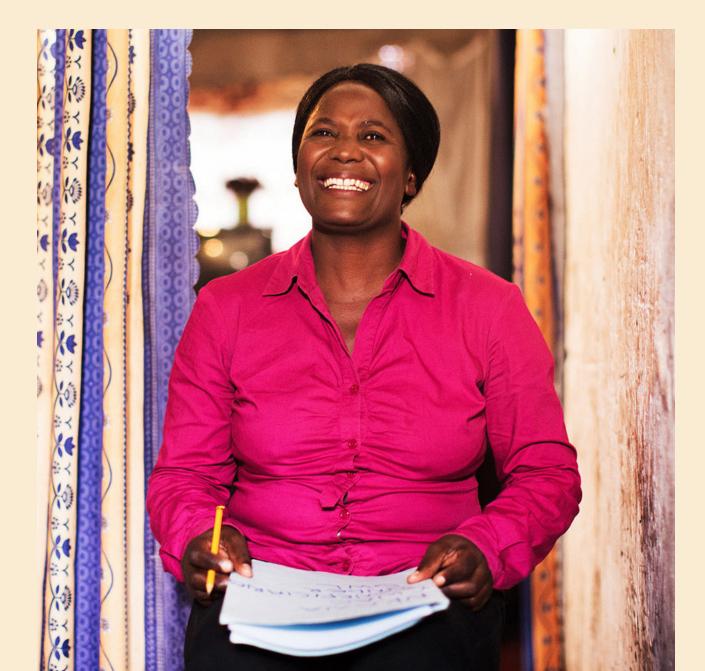
The African Union Interoperability Framework for Digital ID outlines the foundations of trust and interoperability for digital ID systems across the African continent. This consists of defining common requirements to represent existing proofs of legal identity issued by Member States in a digital format, whose authenticity can be verified by relying parties in other Member States. Under the proposed approach, Member States retain full control and choice over the design of their national systems, while also enabling recognition of proof of legal identity (and other credentials in the future) across the continent.

In October 2021, the African Union Specialized Technical Committee on Communications and ICT agreed to move forward to propose the Framework for adoption by Heads of State at the African Union Summit in 2022. ID4D will continue supporting the AUC on next steps and to strengthen the Framework's visibility and integration across regional and continental initiatives, including those undertaken by Smart Africa and the West Africa Unique Identification for Regional Integration and Inclusion (WURI) program.



In addition, ID4D is working closely with the Smart Africa Trust Alliance (SATA) initiative, which is looking to address some of the hurdles faced by individuals seeking access to services across borders such as obtaining a subscriber identity module (SIM) card in another country. SATA serves as a digital identity federation among a range of actors at the continental level. ID4D will remain engaged as the operationalization of this concept is piloted in Benin, Rwanda, and Tunisia in 2022 to maximize synergies with ongoing World Bank projects and technical assistance in those countries.

With the introduction of a continental framework for interoperability of digital IDs, African countries will be able to realize considerable economic and social opportunities, accelerating progress towards Agenda 2063: The Africa We Want.



SPOTLIGHT #4 Increasing Public Engagement in ID System Design and Deployment

Building an ID system that meets developmental goals is a multifaceted challenge in any context. The *Principles on Identification* highlight the centrality that public engagement must play in this process. Working with impacted populations and communities throughout the process is critical to ensure that different views and experiences are considered, to address issues and concerns, and build trust in the system.

To ensure ID systems meet the needs and concerns of people, ID4D advocates for continuous and meaningful public engagement throughout their design and implementation. If a system does not reflect the needs and views of the communities it intends to serve, the risk of exclusion, low take-up, misuse of data, and poor value-formoney investments are exacerbated.

To provide country officials with more support for engaging effectively with civil society organizations (CSOs) in particular, ID4D has launched a collaboration with Namati and Open Society Foundations (OSF) to develop a guide for effective civil society engagement. The intention is to support a shift in mentality from one-way communication and closed-door decision making to continuous interaction with the public throughout design and implementation.

This guide will provide ID practitioners knowledge and practical tools on:

- Why to engage: Understand the necessity, benefits, and opportunities of meaningful engagement with CSOs for successful ID systems.
- When to engage: Identify the key themes and milestones across ID system design and implementation where CSOs can be consulted during each phase of an ID project life cycle.
- How to engage: Provide guidance on how to structure outreach and engagement with CSOs, understand the constraints and challenges that CSOs may face, and present different methods of engagement relevant to ID projects at the national level.

A workshop was organized in May 2021, bringing together 40 CSOs from more than 20 countries to capture their experience on engaging with governments around ID and identify good practices. A follow-up workshop is being planned for early 2022 to validate the content of the guide prior to publication.



FIGURE 4 - EXAMPLE ACTIVITIES IN A ROADMAP FOR CSO ENGAGEMENT



- Launch a written consultation on the government vision paper to inform CSOs about the project and seek their early feedback
- Seek <u>public participation</u> in the legislative process by organizing public hearings
- Organize CSO consultation meetings to present early system design and procurement strategy
- Organize collaborative qualitative research in order to inform the rollout strategy
- ► Establish a committee of civil society representatives to provide feedback during implementation
- Partner with CSOs for organizing focus groups and feedback sessions as part of regular monitoring and program evaluation

Source: World Bank





PILLAR III.

COUNTRY AND REGIONAL ACTION

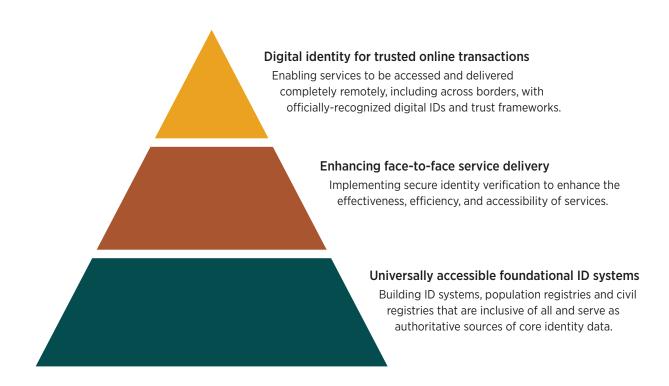
In 2021, ID4D helped 49 countries with the design and implementation of inclusive and trusted ID and civil registration ecosystems. A total of 35 are receiving World Bank financing, with potential to provide better IDs and civil registration documentation to up to 470 million people over the next 5-7 years. Much of this work is done in partnership with other donors and development partners. Demand increased significantly as countries sought to use ID systems to respond to—and recover from—the COVID-19 pandemic.

COUNTRY AND REGIONAL ACTION

From analytics and advisory services, to World Bank investment project, results-based, and development policy financing, a comprehensive suite of support is available to help countries on their journey to building better ID and CR ecosystems to meet their development goals.

The action supported by the ID4D/G2Px Multi-Donor Trust Fund have been designed to support a virtuous feedback loop by bringing good practices and other knowledge to country activities, while on-the-ground experience informs and guides research, global advocacy, and action in other countries.

ID4D SUPPORTS COUNTRIES AT DIFFERENT STAGES OF ID AND CIVIL REGISTRATION ECOSYSTEM DEVELOPMENT



2021 HIGHLIGHTS

CENTRAL AFRICAN REPUBLIC Providing technical assistance in collaboration with the EU and other development partners, as well as preparing the Public Sector Digital Governance Project, to strengthen civil registration and support legal and institutional reforms that would enable a trusted ID ecosystem in the future. Putting these building blocks in place are important because the country's most recent national-level birth registration rate (in 2015) being among the lowest levels in the world, with fewer than 20 percent of children under the age of five having had their birth registered.

EL SALVADOR

Providing technical assistance to the Secretary of Innovation for designing a new digital authentication architecture based on the national ID system, including options for implementation of a mobile ID application. The modernized architecture will support increased access to online services and greater efficiency and effectiveness in government programs, such as social assistance.

ETHIOPIA

Providing technical assistance for the design of a foundational ID system— known as Fayda, meaning "value" in several local languages—and strengthening the civil registration system, in line with international good practices. The Ethiopia Digital Foundations Project, approved in April 2021, is also investing in legal and institutional reforms, including an omnibus legal framework for personal data protection and stakeholder consultations to create an enabling environment for Fayda and to promote trust, as well as pilots to ensure that systems and processes are inclusive. An analysis of priority use cases for Fayda was completed and assistance was delivered for the development of a monitoring and evaluation framework for pilots in 2022. Fayda and digitalized civil registration can accelerate Ethiopia's transition to an inclusive and resilient digital economy, society, and government, including expansion of social safety nets, financial inclusion, and modernizing healthcare delivery. This work is especially important given that Ethiopia has the lowest birth registration rate in the world (according to UNICEF, only 3 percent of children under the age of five have had their birth registered) and existing "kebele" ID cards that are issued at the local level are generally not verifiable.

GABON

The Digital Gabon Project was approved in July 2021 and will invest in the modernization of Gabon's foundational ID ecosystem to issue an ID for proof of legal identity to all persons in Gabon, irrespective of nationality or legal status. The project will support both the development of a national population registry to deliver a unique ID credential to all as well as reforms to digitalize civil registration systems and link them to the population registry, providing for the issuance of a unique ID from birth. Additional support for legal and institutional reforms, strengthening data protection capacity, and expanding cybersecurity capabilities will further protect privacy. The preparation of this project was informed by an ID4D Diagnostic and an ID Enabling Environment Assessment (IDEEA), both completed in 2021. Digital transformation has been identified as a priority for the diversification of Gabon's economy, and developing an inclusive and trusted ID ecosystem will help ensure equitable access to new digital services and opportunities.

INDONESIA

ID4D & G2Px ANNUAL REPORT 2021

Providing technical assistance to the Ministry of Home Affairs on expanding coverage of civil and population registration (especially in eastern provinces) and, along with other stakeholders such as the Ministry of Communication and Information Technology, on utilizing these systems to expand service delivery, such as by introducting electronic Know Your Customer (e-KYC) and an official digital ID framework to enable online transactions. This also complements and contributes to the work of G2Px in Indonesia, which is supporting technical assistance to the Ministry of National Development Planning on a new architecture for G2P payments (G2P 4.0). In 2021, several pilots were carried out and the capacity of the Ministry of Home Affairs was increased, with plans announced to launch a digital ID in line with international good practices and standards in the near future. The importance of this work is captured in the World Bank flagship report, Beyond Unicorns: Harnessing Digital Technology for Inclusion in Indonesia, which highlighted the opportunity to use improving internet connectivity and an official digital ID framework to bring more services to more people across the country and to strengthen trust in the digital economy, which currently experiences substantial fraud and inefficiencies because of the lack of an official digital ID.

MADAGASCAR

The Madagascar Digital Governance and Identification Management System project (PRODIGY), which was approved in September 2020, is investing in inclusive access to legal IDs and improvements to service delivery by streamlining and digitizing public services for individuals and businesses. Technical assistance helped inform the design and implementation of regulatory and institutional reforms needed to underpin the creation of modern, digital, and integrated civil registration and ID ecosystems. Technical assistance has also been provided to promote consensus-building and agreement across ministries on the technical specifications for the country's new unique ID number.

MEXICO

The Mexico National Digital Identity System to Facilitate Inclusion Project was approved in January 2021, and project effectiveness is pending. This project will invest in the modernization of civil registry offices and transformation of the National Population Registry into a digital platform for better service delivery, along with building accompanying personal data protection and cybersecurity capabilities. Technical assistance has been provided to the General Directorate of the National Registry of Population and Personal Identification (RENAPO) on international good practices related to inclusion, design, and trust, including recommendations on standards, protocols, procedures, and contractual arrangements to ensure adequate protection of personal data and for RENAPO to conduct a privacy impact assessment. These reforms and investments will address key challenges for service delivery and digitalization in Mexico, such as delivery of cash transfers and financial inclusion, where systems are fragmented and there is an absence of secure and reliable mechanisms for identity verification.

MOROCCO

COUNTRY AND REGIONAL ACTION

The Identity and Targeting for Social Protection project continues implementation to build a national population register and social registry to support subsidy reforms and other activities to alleviate poverty. In 2021, additional technical assistance was provided on system design and governance, including on the protection of unique identifiers and on monitoring and evaluation. The piloting of the NPR began in Rabat on December 24, 2021. Impact and process evaluations are being planned for 2022, accompanying the roll out of the national population register.

MOZAMBIQUE

The Mozambique Digital Governance and Economy project (EDGE), approved in September of 2021, is investing in improvements in the delivery of digital government services and fostering the growth of domestic digital businesses, including by leveraging a digital ID ecosystem. An ID4D Diagnostic and IDEEA were carried out to provide recommendations on legal, institutional, and operational reforms for the ID aspects of the project. Further technical assistance is informing the design and implementation of regulatory and institutional reforms necessary to underpin the creation of a modern, inclusive and interoperable civil registration and ID ecosystem necessary to achieve the government's national strategy on identification. Assistance is also being provided to ensure that legal safeguards are in place for the implementation of EDGE. In addition, priority support continues to be provided for facilitating registration of internally-displaced-people and the local host communities in Cabo Delgado, the conflict-stricken northern region of the country. A first registration campaign of IDPs is planned in the first quarter 2022.

NIGERIA

The Nigeria Digital ID for Development project was approved in February 2020. In 2021, technical assistance was provided to help move the project forward into implementation, focusing on strengthening legal frameworks, including passage of national data protection legislation, reinforcing the ID system design to introduce data protection safeguards and improve cybersecurity, expand accessibility of ID with special attention to women and other marginalized groups, and provide early implementation support to achieve the objective of reaching universal ID coverage of adults by 2024 and putting building blocks in place for digitalized civil registration. Apart from expanding access to services and enabling better targeting of social protection, the project will reduce identity-related risks in the delivery of financial and government services.

ORGANIZATION
OF EASTERN
CARIBBEAN
STATES (OECS,
DOMINICA, AND
ST. VINCENT
AND THE
GRENADINES)

PACIFIC ISLANDS (FEDERATED STATES OF THE MICRONESIA, KIRIBATI, MARSHALL ISLANDS, SAMOA, TONGA) The Caribbean Digital Transformation Project is supporting the digitalization of the Eastern Caribbean economy and governments, including to strengthen the region's resilience. Technical assistance was provided for Dominica and St. Vincent and the Grenadines to enhance their existing ID and civil registration ecosystems. In addition, the national level support aligns with ongoing and planned regional ID initiatives to support paperless governments capable of maintaining operations and administering public services remotely. This included a legal framework review for the establishment of interoperable foundational ID systems that can enable Eastern Caribbean countries, including also Grenada and Sr. Lucia, to achieve their regional public service delivery objectives and better provide the contingent rights available to people and businesses in the region. The project will also enable countries to better leverage their foundational ID systems for data analytics in the event of a natural disaster and other crises, such as pandemics.

All countries have active projects financing the design and development of digital ID ecosystems and enabling legal and institutional reforms and data protection frameworks, except for Kiribati, which has a project under preparation. The Tonga Digital Government Support Project is also investing in linkages between the national ID and civil registration systems, and the Samoa Connectivity Project is also investing in modernizing the civil registration system. Technical assistance has been provided to all countries on the design of context-appropriate interventions. Public consultations on Samoa's Digital Identification Bill began in 2021, with implementation anticipated to start in 2022. Expertise has also been contributed to the regional Know Your Customer (KYC) initiative of the South Pacific Central Banks, especially on ensuring effective utilization and interoperability of ID systems. With remote populations and expansion of reliable and affordable broadband, digital ID ecosystems are an opportunity to increase access to public and private services via online channels, reduce risks and costs of remittances, promote women's economic empowerment, grow e-commerce and the digital economy, and build resilience to natural disasters.

THE PHILIPPINES

ID4D & G2Px ANNUAL REPORT 2021

Technical assistance was provided to the Philippine Statistics Authority (PSA) as the Philippine Identification System (PhilSys) was successfully launched, registering more than 52 million Filipinos throughout 2021 and facilitating new bank accounts for more than 6 million members of low-income households. This is part of a long-standing partnership that ID4D has had with PSA since late 2017, which in 2021 was expanded to encompass G2Px, as PhilSys can be used to enhance social protection delivery in the country. In 2021, advice was provided in several areas including the re-design of registration processes to reduce COVID-19 risks and to prioritize low-income households so they can have the option of opening subsidized bank accounts at registration centers, the strengthening of project management capacity, the planning of use cases and pilots in the civil registration, social protection, vaccination delivery, and land registration sectors, the technical design of a mobile ID to be launched in 2022, and the enhancement of data protection and cybersecurity frameworks, such as tokenization of the PhilSys number (PSN). The Promoting Competitiveness and Enhancing Resilience to Natural Disasters Development Policy Operation supported the adoption of PhilSvs by the Department of Social Welfare and Development (DSWD), which will receive funding for implementation through the Beneficiary FIRST Project and technical assistance through G2Px. PhilSys will help address problems related to large segments of the population being denied access to public and private sector services because they lack one of the functional IDs that are commonly required, as well as the fragmentation of information across government agencies that hampers the ability for them to effectively and efficiently respond to crises, such as COVID-19 and natural calamities.

RWANDA

The Rwanda Digital Acceleration Project was approved in 2021 and will invest in the modernization of the national ID system, including to introduce a digital ID for online transactions and to digitize civil registration records. Technical assistance was provided to support the design of these interventions. This builds on the Strengthening Social Protection Project, which, in collaboration with the Global Financing Facility (GFF), invested in a digital civil registration and vital statistics (CRVS) system that launched across the country in 2020 and scaled up further in 2021. Support was provided for implementation and evaluation of a successful pilot to use identity verification of parents to enable and streamline birth registration in health facilities, as well as development of the omnibus law on data protection that was promulgated in October 2021. While Rwanda already has one of the strongest national ID systems in the region, these reforms will strengthen civil registration and unlock opportunities for Rwanda to accelerate its transition to a digital economy, society, and government.

SOMALIA

COUNTRY AND REGIONAL ACTION

Additional financing for the Somalia Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Project (SCALED-UP) project was approved in June 2021 to support the implementation of Somalia's first digitalized foundational ID system, in line with international good practice and as outlined in the Somalia's Digital Identification Policy. Technical assistance is supporting the establishment of an ID-enabling legal and institutional framework and the design of the future system. The establishment of an inclusive and trusted foundational ID system will create new opportunities and help improve the livelihoods of the estimated 75 percent of the population who do not currently have a foundational ID. Moreover, the country's financial sector and its nascent social protection programs are both expected to benefit from the new IDs and the availability of improved identity verification mechanisms.

TIMOR-LESTE

Technical assistance was provided for the design of the Unique ID system, which is expected to be launched in 2023. This included support for the development of the Unique ID Strategic Plan, project plan and budget, which were endorsed by the Council of Ministers in May 2021. A qualitative study on the public perceptions related to ID and privacy, with an emphasis on those of vulnerable populations, was also carried out. Advice was also provided on legal and institutional reforms and linkages with civil registration. The Unique ID system will strengthen the ability of government to deliver social assistance programs and to digitalize government service delivery.

TUNISIA

Technical assistance was provided for the development of a Road Map for Digital ID, including the evaluation of potential models for building an ecosystem for digital authentication that would build on existing foundational and functional ID systems. In addition, a report was completed to analyze the needs for identification in the health sector, including for short-term purposes related to COVID-19 response, as well as longer term digitalization of healthcare systems. Support will continue in 2022 on models for digital authentication and the operationalization of the unique citizen identifier (IUC).

UGANDA

The Regional Communications Infrastructure Project is financing the development of a digital authentication solution for online government and private sector services in the form of UgPass, a mobile application. The Uganda Digital Acceleration Project, which was approved in June 2021 and is pending effectiveness, will finance its scale up. In addition to this, the Uganda Reproductive, Maternal and Child Health Services Improvement Project, with support from the GFF, is investing in the expansion of birth and death registration across the country. Technical assistance was provided to the National IT Authority of Uganda (NITA-U) on the design of UgPass, which is expected to launch in 2022, and to the National Identification and Registration Authority (NIRA) on geospatial mapping of offices to identify and reduce geographic barriers for accessing national ID and civil registration services. This support is especially important for helping NIRA to transition to steady state operations with presence across the country.

WEST AFRICA UNIQUE IDENTIFICATION FOR REGIONAL INTEGRATION AND INCLUSION (WURI)

Benin, Burkina Faso, Côte d'Ivoire, Guinea, Niger, and Togo are part of WURI, which aims to help build foundational ID systems that are inclusive of all persons to facilitate access to services for millions of people, especially women and the poorest segments of society. During 2021, progress was made in building capacity and legal and institutional reforms to create a strong enabling environment in each country, supported by technical assistance. Notably, Guinea successfully completed a small pilot with the registration of about 8,000 persons using a digital public good, the Modular Open Source Identity Platform (MOSIP), and Togo enacted a law to create "e-ID Togo" and a new agency to build and operate it, which is described further in Spotlight #5. These foundational ID systems will help each country to digitalize public and private sector services, and to strengthen the delivery of social protection. Interoperability of IDs among participating countries will also increase access to services across borders especially for border communities and promote regional economic integration, including in coordination with the African Union Framework for Interoperability of Digital ID.

PILLAR III SPOTLIGHT #5 Togo

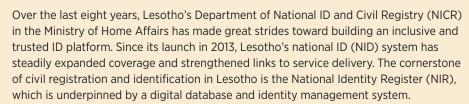
The Togolese government has set a series of strategic objectives, that are linked to the successful rollout of the e-ID Togo project. This includes (1) the universal identification of all citizens and residents, without limitations related to age, language spoken, ethnicity, place of residence, etc.; (2) the establishment of a social registry of individuals and households (in French, the *Registre social des personnes et des ménages – RSPM*); (3) the modernization of public administration services; (4) the improvement of social, financial, and economic inclusion; and (5) laying the foundation for an innovation driven economic model.

To this end, the government of Togo signed a Financing Agreement in July 2020 with the World Bank Group to be part of the second phase of the WURI program. By doing so, the country committed to provide over 80 percent of its population with officially-recognized IDs, facilitating access to services and economic opportunities, and paving the way for improved public administration and service delivery.

In March 2021, the government decided to use the Modular Open-Source Identification Platform (MOSIP) as the main platform for its identification system e-ID Togo. On November 25, 2021, the government signed a memorandum of understanding (MoU) with the International Institute of Information Technology Bangalore (IIITB) which will provide technical assistance during the development and deployment of the e-ID Togo platform. Through the MoU, the IITB will train Togolese counterparts and support a first pilot registration of around 1,000 individuals in the first quarter of 2022.

Togo has also improved its legal and institutional environment with (1) the passing of legislation on biometric registration; (2) the creation of the national identification agency (in French, *Agence nationale d'identification* – ANID); (3) the creation of a national cybersecurity agency (in French, *Agence nationale de cybersécurité* – ANCy); and (4) the creation of a data protection authority (in French, *Instance de protection des données à caractère personnel*– IPDCP). With these legal instruments and institutions in place, Togo plans to proceed with registration of its population in 2022.

SPOTLIGHT #6 Lesotho



To provide the greatest benefit to citizens, both the civil registration and ID systems must be accessible to all. With close linkages between the NID and the civil registration system, Lesotho is well on its way toward providing its population with a trusted, unique, and verifiable identity from birth to death. The national ID covers an estimated 85 percent of the population over the age of 16 (that is, a little over 1.25 million people of a total eligible population of 1.42 million), compared to the Sub-Saharan Africa average of 71 percent. Efforts to close remaining gaps in civil registration - 44.5 percent of children under the age of 5 had their birth registered as of 2018 and the death registration rate stood at 38 percent in 2019 – are ongoing.

To reach people without a national ID, the NICR launched an initiative to make the national ID more accessible to those living in rural areas and among marginalized and vulnerable groups who may be socially excluded, lack the supporting documentation needed to obtain an ID, or be constrained in their mobility—Lesotho is a small mountainous country, with some regions accessible only by horseback or helicopter.

Partnering with the World Bank, the Ministry of Finance, Ministry of Public Service, and Ministry of Social Development, the NICR invested in mobile registration kits in watertight suitcases that allow the NICR to temporarily scale up capacity at its 10 district offices to meet demand and carry out registration drives outside their offices. These kits contain all the equipment required to register a birth or issue a national ID anywhere in the country, including in someone's home. Between 2018–2020, the department expanded access to the ID among civil servants and civil pensioners. From June–October 2020, NICR staff traveled by horseback into rural areas with mobile registration kits, visiting the homebound and issuing 6,187 new IDs.¹

¹ Adapted from Ort, R. and Raboletsi, T. 2021. "National ID in Lesotho is putting citizens at the center." https://blogs.worldbank.org/governance/national-id-le-sotho-putting-citizens-center

The expansion of NID coverage in Lesotho is being used to improve the efficiency of public expenditure and increase public trust in the government's stewardship of resources. The Ministry of Public Services is using the ID to verify the uniqueness and livliness of civil servants and civil pensioners. The Ministry of Finance is utilizing the ID system to verify the eligibility of old age pensioners. These initiatives are already generating fiscal savings and helping to promote trust and accountability in the management of public resources.

Further efforts to streamline registration processes and investments in improving digital identity verification mechanisms for service delivery in a people-centric and privacy-conscious manner are under way. These are expected to sustain improvements in the accessibility of civil registration and the national ID and generate further improvements in the efficiency of the public sector, while also improving access to financial services.

SPOTLIGHT #7 Highlights of Legal and Regulatory Support

Legal and regulatory support was provided to more than 17 countries during 2021, with some examples below. Using the ID Enabling Environment Assessment (IDEEA) tool, these countries were able to identify how to strengthen and align with international good practices their laws and regulations related to ID and civil registration, data protection, cybersecurity and cybercrime, and electronic transactions.

BOLIVIA A le	egal assessment is currently	being finalized, which co	overs the legal enabling
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environment for a digital ID and digital economy project. Areas of focus include civil registration, identification, data protection, cybersecurity and potential mechanisms to

support cross border recognition.

CENTRAL AFRICAN REPUBLIC A legal assessment of the ID and civil registration ecosystem is currently in progress, which is part of a broader assessment of the legal enabling environment for digital government. The output of this work will help pave the way for a much-needed reform

of the Central African Republic's CR and ID ecosystem to increase coverage and improve

access to IDs.

ESWATINI

A legal assessment of the enabling environment for digital ID is currently under preparation and is intended to provide a benchmarking and gap analysis of the existing enabling environment of Eswatini's national population register and a future digital ID system, while promoting trust and improving the readiness of the wider legal enabling

environment to support digital transactions and digital economy.

ETHIOPIA

A legal assessment was completed in 2019–2020 and provided for a review of amendments to the NID Proclamation 760/2012, which has helped to stimulate further reforms aimed at strengthening the legal and regulatory framework. The government is currently amending the NID proclamations to integrate earlier recommendations and establish Fayda, the new foundational ID system. The government has also adopted an e-transaction law and is in the process of adopting a Data Protection Proclamation.

GABON

A legal review and analysis of the existing institutions, laws, and regulations relating to identification were provided to assess their ability to support digitalization of the ID ecosystem and governmental services. The analysis and recommendations focused on bolstering existing data protection, cybersecurity, civil registration digital transactions and communications, as well as related institutional arrangements, particularly, to pave the way for the development of Gabon's foundational ID system. These recommendations have also helped identify key priorities under Gabon's Economic Recovery Plan, which was started in 2017 and is heavily focused on digitalization.

MADAGASCAR

Legal support is focused on supporting government to increase institutional capacity for data protection, cybersecurity, e-transactions, and e-communications. A draft presidential decree was published recently which will establish a Computer Incident Response Team (CIRT). Legal support will help to align the new institutional framework for cybersecurity with international good practices, and ensure the CIRT is a trusted, accountable and effective institution.

MALI

A legal assessment of Mali's enabling environment for ID has been completed and is currently undergoing a final review. The assessment is focused on data protection, cybersecurity, electronic transactions, civil registration and identity ecosystems issues. Recommendations will help support the development of a trusted data ecosystem and leverage existing legal provisions (such as the Persons and Family Code) to enable digitalization of CR and ID systems.

MOZAMBIQUE

A legal assessment of the enabling environment for digital government and digital ID has been completed, which provided recommendations on opportunities for government to strengthen the enabling environment for digital ID and digital government services. Further support is anticipated on the elaboration of appropriate data protection and cybersecurity legal frameworks.

NIGERIA

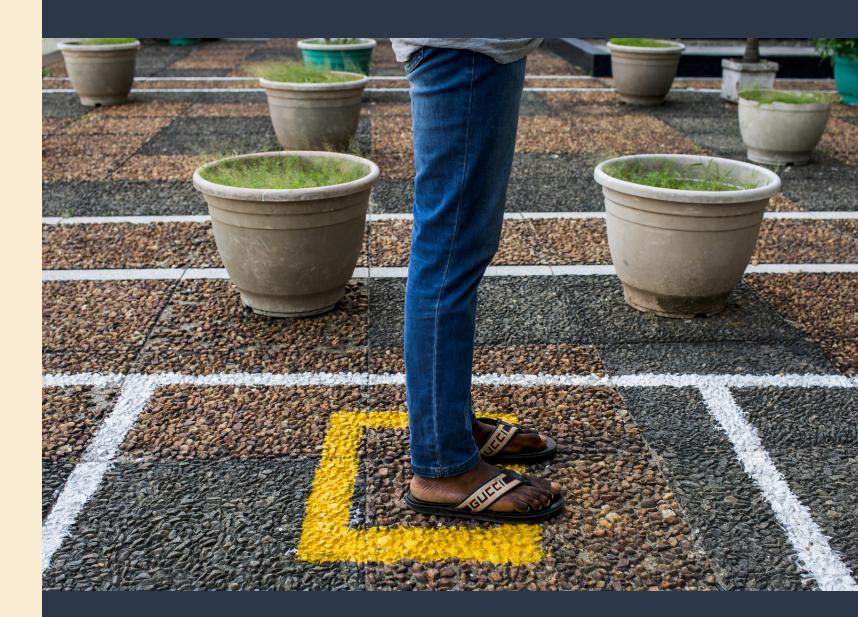
A legal assessment of the enabling environment for ID has been completed, which identified a number of opportunities to reform the legal and regulatory framework of the Nigerian Identity Management System (NIMS) to align better with the *Principles on Identification*. Recommendations and support are also being provided to assist government in ensuring that the proposed data protection law is in line with international good practice. ID4D continues to provide implementation support to enhance the draft data protection bill and the national ID law to increase inclusivity, reduce the risks of exclusion or discrimination, and to better protect ID holders and data subjects.

RWANDA

Technical assistance was provided to the government for the development of the country's first data protection law, providing recommendations on how to align with international good practices in terms of data processing, data sharing and data localization requirements. The data protection law was promulgated in October 2021.

SAMOA

Recommendations were made to support the preparation of a new policy statement on the legal and regulatory environment for civil registration and ID. Technical assistance has also been provided to help the government develop a new digital ID bill, which includes data protection, in line with international good practices.





COUNTRY AND REGIONAL ACTION IN 2021

This table describes the types of support countries received from ID4D and the World Bank during 2021, encompassing:

- **ID4D Diagnostic:** An assessment of a country's existing ID and civil registration landscape. This table only lists Diagnostics completed in earlier years for in countries where there was active engagement in 2021.
- Technical assistance: Advice and analysis provided by the World Bank for the design, planning, and implementation of ID and/or CR ecosystem, including development of the enabling environment (e.g., policy, legal and institutional frameworks for ID and civil registration, data protection, and cybersecurity, stakeholder engagement, and pilots).
- Pipeline financing: World Bank financing operation under preparation.
- Active financing: World Bank financing operation approved by the Board.

Coun	try	ID4D Diagnostic (completed or in-progress)	Technical Assistance	Pipeline Financing	Active Financing
ಖ	Angola	Ø	•	•	
	Benin		•		•
	Bolivia	Ø	•		
	Brazil	Ø			
*	Burkina Faso	Ø	• •		• •
*	Cameroon	Ø	•		•
*	Central African Republic	\bigcirc	•	•	
	Chad		•		•
	Colombia	Ø			
	Côte d'Ivoire	Ø	•		•
*	Democratic Republic of the Congo	Ø	•		•
-	Dominica		•		•
×	Dominican Republic	Ø			
*	El Salvador	⊘	•		
~	Ethiopia	Ø	• •	*	•*•
v =3×	Eswatini	Ø			
***	Federated States of Micronesia		•		•
	Gabon	Ø	• •		• •
	The Gambia		•		•
0	Grenada		•		**
	Guinea	⊘	• •		• •
1 - 1	Honduras	⊘	• •		
	Indonesia		• •		
	Kenya	Ø	•		•

ID ecosystem

ount	try	ID4D Diagnostic (completed or in-progress)	Technical Assistance	Pipeline Financing	Active Financing
*	Kiribati	Ø	• •	• •	
•	Lao PDR		•		*
*	Lebanon	⊘			
1	Lesotho	⊘	•		•
	Liberia	⊘	•		*
	Madagascar	⊘	• •		•
	Malawi	⊘			
	Mali	⊘	• •	• •	
	Marshall Islands		•		•
	Mexico	⊘	• •		• •
τ	Morocco	⊘	•		•
	Mozambique	⊘	• •		• •
	Niger	Ø	•		•
	Nigeria	⊘	• •		• •
٢	Pakistan		•		*
	Philippines	Ø	•		•*
	Republic of Congo		• •	• •	
	Rwanda	Ø	• •		• •
	Samoa		• •		•
k *	São Tomé and Príncipe	Ø	• •	• •	
	Sint Maarten		• •		• •
7	Somalia	Ø	•		•
\	St. Lucia		•		•**
	St. Vincent & the Grenadines		• •		• •
	Sudan	Ø	• •		• • ***
)	Tajikistan	Ø			
	Timor-Leste		•		
	Togo	Ø	•		•
	Tonga	Ø	• •		• •
	Tunisia	Ø	•		•*
	Uganda	Ø	• •		•*•
٠ ا	Vietnam		•		

Civil registration ecosystem, including GFF support

Notes.

ID ecosystem

Civil registration ecosystem, including GFF support

^{*} Financing focused on development of the enabling environment and/or sectoral systems

^{**} Financing focused on cross-border interoperability in the Organisation of Eastern Caribbean States (OECS)

^{***} Disbursements for all World Bank operations in Sudan have been paused since October 2021



OVERVIEW OF G2PX



Digitizing government-to-person (G2P) payments programs can accelerate financial inclusion, create pathways to women's economic empowerment, and support government-wide efficiency gains.

The COVID-19 pandemic highlighted the fundamental role that digital ecosystems can play in helping a country to rapidly, effectively and responsibly deliver services and social assistance to its people. Just one year after the onset of the pandemic, an estimated 1.7 billion people living in low- and middle-income countries has received COVID-related social assistance payments.





The Global response to the COVID-19 pandemic also highlighted the benefits of investments in the broader shared ecosystem surrounding G2P payments, especially shared infrastructure. Countries that performed better in terms of speed and coverage of assistance leveraged their existing digital assets—administrative data sharing, good identification systems, and robust digital payments infrastructure.

The G2Px initiative brings together global knowledge and expertise across sectors on building shared infrastructure and other core elements of a modern G2P architecture. This collaborative approach is key to enabling a pathway to broader financial inclusion, women's economic empowerment and government wide efficiency gains.





G2Px is currently supporting 33 countries with technical assistance to digitize their G2P programs. In these countries, social assistance programs reach over 477 million direct recipients, among which 262 million are women.

G2Px has become a thought leader and knowledge hub on why digitizing G2P programs matter, the main building blocks to design a recipient-centric G2P architecture that accelerates development outcomes and guidance on how to build them, and data to measure impact and track progress of G2P digitization efforts.





There is a continuous feedback cycle between the global and country work; country implementations leverage the global operational and technical guidance on good practices and benefit from cross-country lesson sharing. At the same time, the global work on analytics and convening are informed and contextualized by the real-life lessons and evidence, on what works and does not, generated from country implementations.

G2Px focuses on three mutually reinforcing pillars of work:

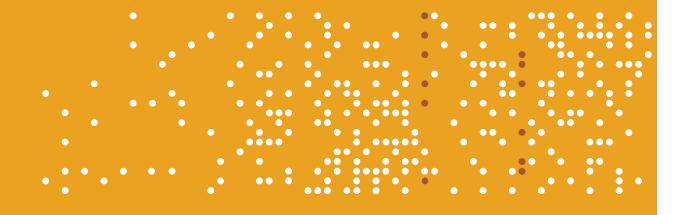
- Pillar I. Thought Leadership & Analytics
- Pillar II. Global Platforms & Convening
- Pillar III. Country & Regional Action





PILLAR I. THOUGHT LEADERSHIP AND ANALYTICS

In 2021, the G2Px initiative produced a range of tools and analytical reports focusing on recipient centric G2P program implementation. The scope of analytical work over the past year has centered around (1) advancing global understanding of the state of digital G2P payments and their impact; (2) documenting good practices and sharing cross-country experiences; and (3) developing technical and operational guidance on implementing good practices based on these insights.

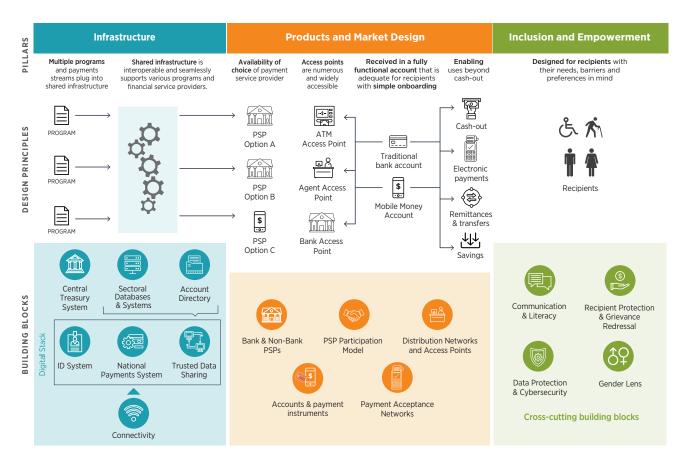


UNDERSTANDING DIGITAL G2P PROGRAMS

The G2Px initiative has strived to advance global understanding of digital G2P payments including answering key questions such as: What are countries' current practices to deliver G2P programs? What are the approaches to digital G2P programs that can strengthen desired long-term outcomes? What are the characteristics of an ideal G2P architecture?

To answer these questions, G2Px has established a collaboration with the Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE) to include social protection programs' payment method indicators in their annually updated administrative data set. As a first stage, G2Px, ASPIRE, and Jobs Watch have collaborated in the collection of COVID-19- response programs' payment method indicators. Leveraging this data, analysis of how digital infrastructure has played a leading role to enable countries to respond to COVID-19 has been conducted (see G2Px Pillar I Spotlight). Furthermore, this new data collection complements G2Px's previous efforts to document countries' G2P delivery methods in a subset of countries in 2019.

An important part of creating a shared understanding of what characterizes an ideal G2P architecture, is developing a cross-sectoral common vision of an ideal scenario. Therefore, the G2Px working group drafted a framework for a modern G2P architecture, laying out design principles to support long-term development outcomes such as financial inclusion, women's economic empowerment, and government-wide fiscal savings. A G2P architecture encompasses all systems, infrastructure, regulations, policies, and design choices that enable and characterize the end-to-end delivery of G2P payments. Modern G2P architectures should be designed with the needs, barriers, and preferences of recipients in mind, ensuring that infrastructure and systems are shared across programs and payments streams, and providing choice and fully functional accounts to recipients.



GOOD PRACTICES AND SHARING **COUNTRY LESSONS** Global analytical work is put into practice through country implementations, which in turn surface key operational lessons which are then incorporated into new guidance and good practices for broader dissemination.

WEE good practices brief

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For example, G2Px documented good practices on how to support women's economic empowerment through digital G2P payments. Digital payments hold promise for women's economic empowerment (WEE) when designed in ways that are reliable, flexible, secure, accessible and accountable.² These payments can help to enhance privacy, financial autonomy, and decision-making for women. There are also improvements in nutrition and labor force participation.³ Yet the potential of G2P payments can only be realized when directing payments to private, fully functional transaction accounts in the recipient's name. These types of accounts serve as an onramp for other financial services, including savings, digital payments, remittances, insurance, and credit.4

G2Px developed a brief, "Designing Government-to-Person Payments to Enhance Women's Inclusion," to better support gender-smart design across country engagements. This resource distills evidence at the intersection of digital payments and women's economic empowerment and highlights inclusive design features and examples (see box in p.47). The resource was also informed by a good practice review of World Bank Group operation within key global practices, like Social Protection and Jobs (SPJ) and Finance Competitiveness and Innovation (FCI), that were focused on advancing women's economic empowerment through digital payments.

Evidence on digital payments and WEE

Available research suggests that approaches like mobile money, direct deposit, and biometric verification have links to various dimensions of women's economic empowerment.⁵ For instance, when compared to a manual cash transfers, mobile money was linked to improve intra-household decision-making, time savings, and diet diversity in Niger.⁶ In addition, research from Kenya also finds that the mobile money platform, M-PESA, helped reduce poverty, especially among female-headed households. M-PESA also helped 185,000 women shift from farming to business occupations. Mobile money likely provided women with a safer place to store money, enabled financial independence, and enabled quick transfers across a wider social network to help people cope with shocks and uncertainties.7

When women in India received wages via direct deposit in their own bank accounts (rather than an account managed by their husbands), along with training on

how to use them, their labor force participation in both the public and private sectors increased.8 Research from Côte d'Ivoire suggests that direct deposit commitment savings accounts can help female factory workers keep more of their income. The pressure to redistribute earnings among friends and family is high, with 83 percent stating that they give money to someone several times a month and transferred about 30 percent of their income to friends or family.9

In Pakistan, as a part of the Benazir Income Support Programme biometric verification—female recipients were required to scan their fingerprints to authenticate their identity at payment points—women experienced more mobility (travel to the market, health centers, friends' homes, or religious centers alone) and involvement in decision-making and voice (as measured by voting behavior). New research highlighted in ID4D Spotlight #1 echoes these findings. 10



² Zimmerman, Jamie Melissa; May, Maria; Kellison, Elizabeth; and Klugman, Jeni. 2020. Digital Cash Transfers in Times of COVID-19: Opportunities and Considerations for Women's Inclusion and Empowerment.



³ Theis et al. 2020. Delivering on the Potential of Digitized G2P: Driving Women's Financial Inclusion and Empowerment through Indonesia's Program Keluarga Harapan. Women's World Banking.

⁴ Ibid

⁵ JPAL review of 35 evaluations across 20 countries explores the link between digital financial services and women's economic empowerment. See JPAL. 2021. Designing financial services and social protection programs to enhance women's economic empowerment.

⁶ Aker et al. 2016. Payment Mechanisms and Antipoverty Programs: Evidence from a Mobile Money Cash Transfer Experiment in Niger. Economic Development and Cultural Change Volume

⁷ Suri and Jack. 2016. The long-run poverty and gender impacts of mobile money

⁸ Field, Erica, Rohini Pande, Natalia Rigol, Simone Schaner, and Charity Troyer Moore. 2020. "On Her Own Account: How Strengthening Women's Financial Control Impacts Labor Supply and Gender Norms

⁹ Commitment savings accounts incorporate mechanisms that help clients save small amounts periodically, over time, to help increase savings balances. See Martin, X. 2013. What is Commitment Savings? Getting to Know the Product.

¹⁰ Iqbal. 2020. Can Empowerment be Enhanced by Putting Cash in the Hands of Poor Women? Learning from Pakistan's BISP Program.

RESEARCH GUIDANCE

In 2021, the G2Px initiative produced a rich set of tools to support data-driven design and implementation of G2P digitization efforts.

G2Px survey module

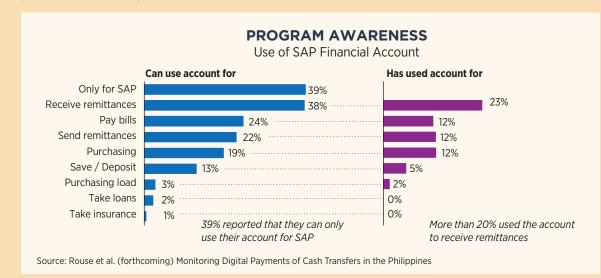
Understanding recipients experience with accessing and using digital G2P payments is an important step to scaling up or replicating digitization efforts. Quantitative surveys administered to G2P program recipients are being implemented in about one-third of G2Px countries. The G2Px survey module serves as a tool to frame key dimensions across which teams can measure the experience and impact of G2P programs among recipients. The tool is an example of the continuous feedback between global and country work. While its purpose is to support task teams in their data collection efforts, the survey module also draws on questions that worked well and proved to be useful with measuring the experience and impact of G2P digitization in country specific survey instruments.

Measuring the Success and Challenges with the Social Amelioration Program (SAP) Delivery in the Philippines

A quantitative survey was conducted among SAP recipients in four regions that had the most recent payment disbursements. The survey was administered between February to April 2021 in collaboration with Innovations for Poverty Action. It captured 1) the profile of respondents across age, employment status, mobile phone ownership and usage; 2) data on recipients' financial awareness, capability and health; 3) awareness of the SAP program and payment delivery channels; and 4) recipients experience with the program.

The survey found that while digital payments provided a positive withdrawal experience, awareness remains

a challenge. 63 percent report having no difficulties in withdrawing payments. Yet, 74 percent had to travel outside their baranguay and reported an average of two hours including travel and wait time to withdraw their SAP payments. Awareness among recipients on digital payments and what they entail was limited. Only 31 percent could correctly recall which financial service provider disbursed their allowance, and while all recipients received account-based payments, only 16 percent knew that they have an account for their SAP benefits. Among those who reported knowing about an account, only 60 percent knew that it has other uses.



Qualitative research toolkit

While quantitative data collection efforts are critical to developing a recipient centric modern G2P architecture, qualitative data can complement quantitative findings to provide more nuanced insights on the needs and experiences of recipients that cannot be measured by a fixed set of indicators. Qualitative research helps examine the "how, why, and under what circumstances" that are useful in the context of G2P recipients who are not homogeneous in their social and demographic characteristics.

The qualitative research toolkit uses the principles of qualitative research to equip researchers and policy makers in listening to the voice of recipients and design programs accounting for their experiences at the center. The toolkit draws on a number of publications that outline qualitative research techniques, and draws heavily from Consultative Group to Assist the Poor's (CGAP) customers guide, the ID4D Qualitative Research Toolkit, the Family Health International (FHI) 360 data collector's field guide and other classics on qualitative research. It is to be used as a guiding document when commissioning qualitative research projects and outlines a number of core research techniques that can be used in the G2P context, along with their limitations, discussion guides, operational details to keep in mind, and pitfalls to avoid.

WEE measurement guidance

G2Px has collaborated with the World Bank's Africa Gender Innovation Lab and the Center for Global Development to create innovative and tailored guidance on measuring women's economic empowerment within G2P programs. This takes a multi-dimensional approach that encourages teams to assess a range of dimensions, including asset ownership (including on access and use of mobile phones), account usage, financial autonomy, cash transfer use, financial literacy, mobility, and safety, among others. The

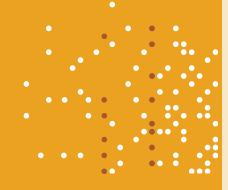


goal was to provide just-in-time resources, including specific questions that research teams can integrate into their quantitative survey efforts. Given the country-level differences, teams were encouraged to tailor the instrument to the needs and context of their particular country. Several G2Px teams have incorporated indicators on women's economic empowerment into their analytical work. These include Lao PDR, Indonesia, Jordan, Sierra Leone, and Liberia.



51

SPOTLIGHT #1 Digital G2P payments in the COVID-19 response



The COVID-19 pandemic has highlighted the fundamental role that digital ecosystems can play in helping a country to rapidly, effectively and responsibly deliver services and social assistance to its people. The scale-up of social assistance programs as a response to COVID-19 was unprecedented. An estimated 1.7 billion people living in low-and-middle-income countries have received COVID-19-related social assistance payments. Excluding India, more than half of the recipients in these households were new beneficiaries. The G2Px initiative in collaboration with ASPIRE and Jobs Watch, have collected indicators on the registration and payment delivery method of COVID-19 response social assistance programs. Using the data, we analyzed the role that digital investments had in supporting the COVID-19 response in two notes: "Scaling up cash transfers during the COVID-19 pandemic: what might explain differences in coverage?" (Barca, Johnson and Palacios forthcoming), and "The Role of Digital in COVID-19 Social Assistance" (Marin, Meier and Palacios forthcoming). Some of the findings are summarized below.

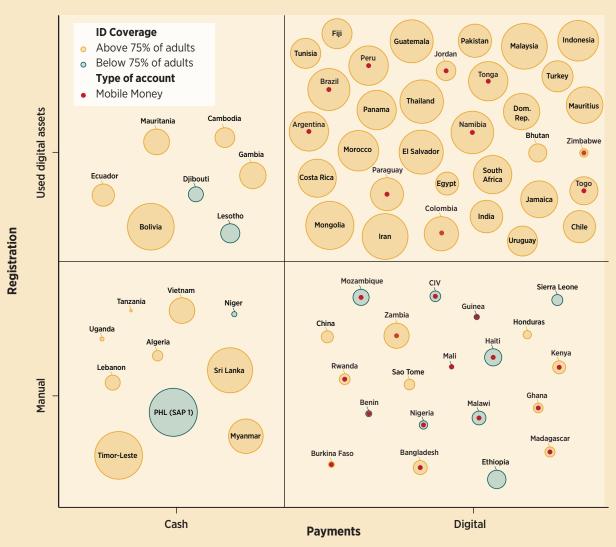
The social protection response to the pandemic faced two separate but related challenges which were more easily tackled by countries that could harness three elements—administrative data that could be leveraged, good identification systems and a robust digital payment infrastructure. The first challenge was expanding the list of beneficiaries to reach individuals not commonly included in social registries, such as urban informal workers. Countries leveraged existing databases and online registration platforms to target and register these beneficiaries. A number of countries without these assets are starting to exploit new avenues, including mobile phone and satellite data. The second challenge was making payments safely and securely in the context of the pandemic. Again, countries used digital payments to deliver funds quickly and safely. In the best cases, accounts were opened and the crisis resulted in greater financial inclusion. Furthermore, countries that had invested in financial inclusion pre-pandemic were able to use existing account penetration for quick delivery of payments.

The move towards using digital systems in the past year has led to the inclusion of millions of individuals into the social protection systems and the financial sector—an opportunity that should be leveraged. The innovative targeting, registration and payment approaches implemented during the pandemic represent an opportunity to learn, iterate and scale up these digital approaches across programs and government payment streams. With millions of individuals now being part of the financial and social protection systems for the first time, there is an opportunity to better design programs and products for them, that can strengthen the pathway to continue increasing their well-being.

G2P coverage during the pandemic was positively correlated with pre-existing digital databases and digital ID systems. Countries used the digital assets that were available to them to respond to the pandemic. As shown in Figure 4, countries with the highest beneficiary coverage (represented by the

size of the circle) were those that were able to use digital assets (existing datasets that could be linked to identify beneficiaries—and were also able to deliver payments using digital methods) including traditional accounts, mobile money accounts and one-time passwords. All these countries also had high ID coverage, which facilitated the matching and cross-referencing across existing datasets and facilitated account opening wherever these were used. Several countries that did not have the data to scale up coverage of cash transfer schemes quickly were still able to make digital payments through mobile money. Many of the countries in the bottom right quadrant leveraged data from mobile phone companies and geospatial data to expand coverage in 2021.

FIGURE 5: USE OF DIGITAL ASSETS AND DIGITAL PAYMENTS IN COVID 19-RESPONSE SOCIAL ASSISTANCE PROGRAMS (SIZE: NUMBER OF INDIVIDUALS LIVING IN HHS COVERED BY THE PROGRAM)



Note: Use of digital assets is described as countries that used existing digitized datasets to target and register beneficiaries. Use of digital payments includes countries that used traditional accounts, mobile money accounts or one-time-passwords. These accounts can be limited or fully functional accounts. Countries having more than one social assistance program in response to COVID-19 are defined as using digital payment methods if at least one of the programs does. ID coverage is defined as the percentage of adults with an ID (Global Findex 2017), complemented by ID population coverage from administrative datasets (ID4D) in cases where Findex data were not available. For Togo, given the relevance of voter IDs to their Novissi program rollout and that the ID coverage drastically increased after 2017, we are using a coverage of 97 percent. Similarly, for Malawi, given the coverage changes since 2017, the ID4D coverage is used instead of Global Findex.

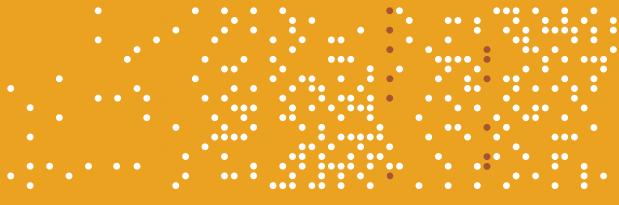
Source: G2Px-ASPIRE, ID4D, Global Findex.

¹¹ Estimation based on payments made as of May 2021. Recipients are measured as estimated individuals living in households that received a cash transfer, regardless of whether the program targeted individuals or households.



PILLAR II. GLOBAL PLATFORMS AND CONVENING

The G2Px initiative has been worked to unify and drive the digital G2P agenda around the opportunity to digitize G2P payments for financial inclusion and women's empowerment. In the past year, the initiative has focused on strengthening coordination with development partners and facilitating peer-to-peer learning.



COVID-19 LESSONS

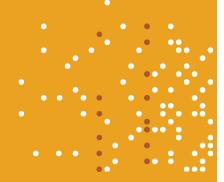
The G2Px Initiative has published a series of brief country case studies of how emergency cash-transfer programs have been designed. The short country cases on <u>Jordan, Brazil, Peru, Ecuador, Colombia, Pakistan, and South Africa</u> aim to provide an overview to WB country teams on how different policy options are catered to particular country contexts.

WORKSHOPS

Sharing lessons across countries can provide powerful inspiration to modernize a countries' own G2P architecture. In this spirit, several countries, including South Africa, have embarked on a series of knowledge sharing sessions to inform the countries' plans going forward. This South African eight-part webinar series titled "The Future of Payment Systems" explored the future of G2P and P2G payments. The series included fortnightly sessions co-organized with the project management office under the private office of the present. More than 60 South African government and development partner representatives attended these webinars. The objective of the series was to build capacity through learning from other countries and government departments on G2P and P2G digitization solutions. Ultimately, the goal is to develop a road map for the government to digitize G2P payments with an approach that leverages shared infrastructure and promotes financial inclusion and choice. The sessions have been recorded and posted online to support continued knowledge sharing across South African government agencies and other countries.



PILLAR II SPOTLIGHT #2 Gender Clinic Series



G2Px held a gender clinic series to introduce country teams to the concept of women's economic empowerment and related design features.



SESSION 1: GENDER IN G2PX

This session introduced project teams to the concept of women's economic empowerment, highlighted key evidence, and provided examples of how teams could operationalize the concept across the social protection delivery chain. It was hosted in partnership with the Gender Group, Social Protection and Jobs GP, and the Finance, Competitiveness and Innovation GP.



SESSION 2: MEASURING WOMEN'S ECONOMIC EMPOWERMENT

This session outlined how teams can incorporate the measurement of women's economic empowerment into their analytical work. The session was held in partnership with the Center for Global Development and shared their latest research: Measuring Women's Economic Empowerment: A Compendium of Selected Tools.



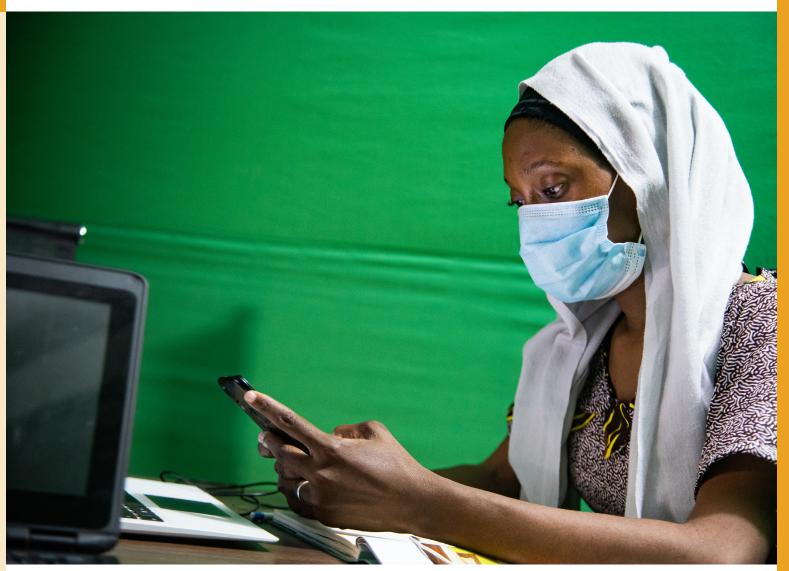
SESSION 3: WOMEN'S DIGITAL FINANCIAL LITERACY

This session shared insights on designing digital financial literacy, and capability programs through a gender lens. It explored key enablers and constraints, as well as a few myths. It was hosted in partnership with CGAP and FCI and featured takeaways from the Integrating Financial Capability into Government Cash Transfer Programs toolkit and FinEquity's Digital Financial Literacy discussion series.



SESSION 4: DIAGNOSING AND SHIFTING GENDER NORMS

This session unpacked how gendered social norms can influence women's economic empowerment in the context of G2P programs. Diagnosing, circumventing, or shifting these norms in families, communities and societies is essential for advancing desired outcomes like women's decision-making, mobility, privacy and financial autonomy. It was hosted in partnership with the World Bank's Mind, Behavior, and Development Unit (eMBeD) and the Africa Gender Innovation Lab.



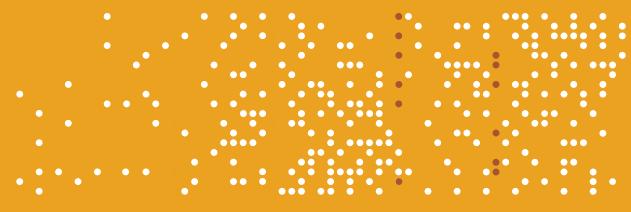


COUNTRY AND REGIONAL ACTION

CONTEXT SETTING

Over the past year, the G2Px initiative provided upstream technical assistance (TA) to 33 countries through cross-GP teams. The stage of engagement varied across teams depending on the country context. Areas of support included providing just-in-time TA on the design and implementation of social assistance programs for COVID-19 response.

This included initiating dialogue, conducting assessments, and developing road maps to digitize G2P payments, along with advisory support on specific aspects of implementation.



COUNTRY AND REGIONAL ACTION IN 2021

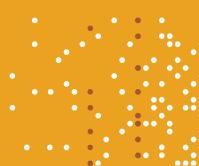
The G2Px initiative is providing upstream technical assistance to 33 countries to design and implement digital social assistance payments, and the enabling infrastructures and ecosystem that can lead to financial inclusion and women's empowerment.

The activities in each country respond to the client demands and specific country context. Where applicable, these activities build on prior work developed by the World Bank in the country and are part of a longer-term engagement. The activities selected in each country can be roughly categorized in the following areas of support:

- » Beneficiary targeting and registration: including technical assistance on the design of digital registration platforms, on best approaches for targeting and registration of beneficiaries, and advisory on deduplication.
- » Digitizing payments and creating an enabling financial sector ecosystem: including technical assistance and support to clients on (1) the choice and design of the most appropriate digital payment methods; (2) developing financial sector enabling regulations to digitize G2P payments while increasing beneficiaries' convenience and choice.
- » Public financial management systems: including support to countries with the assessment and modernization of their G2P policies, processes, and systems from the perspective of sound financial management, transparency, and accountability.
- » Data sharing, interoperability, and leveraging new forms of data: including the technical design of data interoperability and exchange between public and private data platforms; the technical design of central mappers to support digital payment flows to beneficiaries; and leveraging new forms of data such as geospatial and mobile.
- » Beneficiary-centric design: including technical assistance on grievance redressal mechanisms, financial capability and communication, and beneficiary experience surveys to assess and adjust implementation.
- » Knowledge sharing: including documenting lessons learned to scale up G2P digitization efforts within and across countries, as well as enabling peer-to-peer learning exchanges across countries.



PILLAR III **SPOTLIGHT #3** Geospatial mapping to support G2P digitization



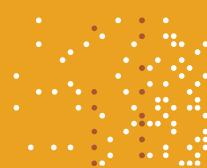
Limited access to financial access points is a challenge with G2P payment digitization, particularly in rural areas. Understanding the geospatial dimension of recipient location and financial access points is critical to recipient centric digitization.

To better understand the context and readiness for digital payments, six G2Px country teams mapped the geospatial location of financial access points and other indicators, including recipient location and network coverage. The purpose of this exercise is to inform the context in which digital payment efforts are being planned. These analytics were used to:

- Calculate recipient's geographic access in terms of distance and travel time
- Make a case for introducing new payment service providers
- Assess the feasibility of digital payments

In Mozambique, the Ministry of Gender and Social Action (MGCAS) and the National Institute for Social Action (INAS) employed digital payments to deliver social assistance to families in areas affected by the COVID-19 emergency, armed conflict, and natural disasters. A range of digital channels were used, from cash-based payments with electronic verification, closedloop smartcards using mobile ATMs to mobile money, and prepaid cards. The first ever digital payments for social protection in the country were successfully delivered to recipients in January 2021 through mobile wallets in one of the main IDP host districts in the region, Montepuez, then expanded to other districts. While the majority were located in Maputo city, mobile money payments have also been made in the provinces of Cabo Delgado, Tete, and Zambezia which are among the most underserved areas from a financial inclusion perspective. This digitization of emergency cash transfers proved to be a cost-effective and comprehensive approach to rapid response in Mozambique, based on which the government has committed to expanding digital payments. Geospatial data is being used to support evidence-based policy and decision-making to better target areas where digital payments can be deployed and successfully scaled up.

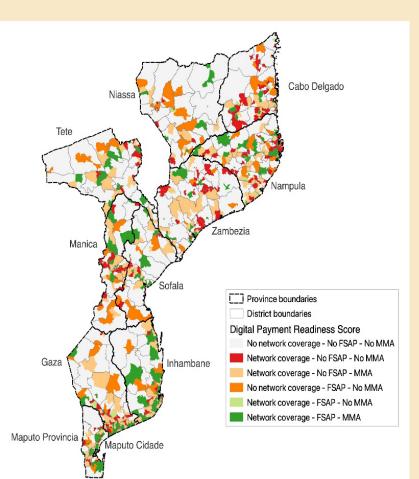
To inform such digitization efforts, a "digital payment readiness score" was created to identify areas suitable for digital payments, based on mobile network coverage and access to financial service points. Data on financial access points are gathered from a public webplatform managed by the Spatial Development Program at the Ministry of Transport and Communications of Mozambique. The data on financial services access points are collected by the Central Bank and covers a mapping of bank branches, ATMs, banking agents, and mobile



money agents. Data on network coverage were collected from the telecom regulator, which provided GPS coordinates of cell towers throughout the country and allowed identifying areas with network coverage. To estimate which areas have cellular network coverage, buffer zones were created around cell towers with the radius of the buffer depending on whether the cellular tower is located in an urban or rural area. In rural areas, cellular towers are estimated to have longer frequency ranges, with each tower covering an area of approximately 12 km. In contrast, for urban areas, due to high population density, telecom companies install more towers with shorter frequency ranges, hence a radius of 4 km was used to estimate network coverage around a cellular tower. Localities were then grouped into low, medium and high readiness, based on the digital payment readiness score assigned.

Low readiness—refers to locations unserved by any financial access point or mobile money agent. Important efforts should be made by the government and private sector in terms of infrastructure and access to financial services. Given the lack of infrastructure and connectivity, the alternative payment mechanisms to be considered in these areas could include cash with offline electronic validation or closed-loop smartcards.

Medium readiness—refers to locations where the opportunity for digital payments through mobile money models is significant: nearly 16 percent of the entire population in Mozambique

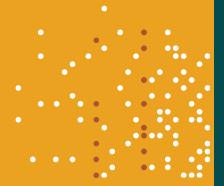


lives in an area with network coverage. Alternatively, locations with reasonable levels of financial access points but no network coverage would also fall under this category. Additional efforts would be needed to extend network coverage or incentivize expansion of financial access points depending on the specific location context. The payment approach to consider in these areas could include a combination of digital payments through mobile money and/or banks and alternative payment mechanisms, such as off-line payment applications or closed-loop smartcards for areas where coverage in terms of mobile network and financial access points are limited.

High readiness—refers to locations where digital payments can be rapidly adopted. About 65 percent of the localities where more than one-half (53 percent) of the population of Mozambique lives have network coverage, and payments could be delivered through mobile money operators or commercial banks. This context also enables customer choice in locations where more than one payment service provider participates in the disbursement. Thus, recipients can choose the payment mechanism and/or the payment service provider that is most convenient for them.



SPOTLIGHT #4 Cross Sectoral Approach in Action



Building shared infrastructure for a digital stack—including digital ID, national payments, and public financial management systems, along with administrative databases with secure data sharing arrangements—is a core building block of a modern G2P architecture leading to economies of scale for the government and recipients. For the government, it could reduce the administrative burden of contracting payment service providers. For recipients, it enables them to exercise choice and use a transaction account that best meets their overall payment needs and contributes to broader financial inclusion and women's economic empowerment. The urgency with providing social assistance during COVID-19 provided an opportunity to catalyze necessary reforms that allow for interoperability and recipient choice. But, as implied in its name, the development of shared infrastructure cannot be tackled in silos, and instead requires strong coordination across multiple sectors and government agencies. G2Px has been supporting cross-sectoral approaches to advancing the digitization of G2P payments across countries. The following are some examples of these cross-sectoral efforts.

In Angola, social protection payments under the first poverty-targeted cash transfer project, Kwenda, are being digitized for the first time. World Bank teams working across the financial and social protection sectors have come together to push the agenda forward on G2P digitization in the country. The Kwenda project supported by a World Bank US\$320 million lending operation, serves as an entry point to promote digital financial services by leveraging financial sector reforms to the payment system legal framework and core instant payment infrastructure. The World Bank has also been supporting the Central Bank of Angola to promote reforms in the legal, regulatory, and institutional environment to enable new payment services providers and digitization of financial services. The Kwenda program is harnessing these reforms to implement digitization of social protection payments, which will enable further development of the digital ecosystem.

The first round of emergency cash transfer payments in **Tunisia** was made through post offices. The second round of COVID-19 response payments, however, allowed recipients to register digitally and select their preferred digital payment method from a choice of five payment service providers. Specialists across the financial and social protection sectors from the World Bank have jointly been supporting the authorities. This holistic approach allowed for digital payments and accurate targeting to be paired together was key to implementing this pro-poor solution of choice-based digital payments at a critical time.

In the **Philippines**, the World Bank has contributed to three transformational levers to improve G2P digitization – adoption of the digital, foundational ID (PhilSys), payments digitization, and digital data governance. This combined effort supported by the G2Px and ID4D initiatives through a team represented by World Bank specialists from across more than six sectors will allow beneficiaries to enroll and verify themselves in a social assistance program without having to go through a lengthy application process, and get payments digitally without having to travel or wait in a queue for hours.





62 ID4D & G2Px ANNUAL REPORT 2021



ID4D's work program for 2022 is designed to keep the initiative at the vanguard of digital ID and development, contributing to the design, assessment, and deployment of new models and technologies, while also strengthening evidence, knowledge, tools, and implementation support on good ID fundamentals, such as inclusive registration and legal enablers and safeguards. As this is a fast-evolving landscape, the ID4D will stay agile to be able to effectively meet the needs and guide a very diverse set of countries, from Kiribati and Somalia to Indonesia and Mexico.

Key Themes for 2022

- » Progressing more countries from design and technical assistance to implementation, and helping countries in implementation to accelerate scale up effectively and responsibly: In 2021, a number of countries launched new systems (e.g., Philippines) and operationalized enhancements to existing ones (e.g., Rwanda). Many more are ready to do the same in 2022 (e.g., Morocco, Nigeria, Samoa, and Togo), especially as recently-approved World Bank projects become effective. Several more new countries will begin design work in 2022 as well.
- Integrating ID as a core part of a digital stack and digital public infrastructure for service delivery: Using our advocacy and technical assistance to ensure that ID systems are implemented with interoperability and linkages to other core systems, such as payment, data exchange platforms, social registries, and so on, to maximize their impact for service delivery (as well as financial and operational sustainability), such as for G2P payments or for COVID-19 response.
- Continuing to document lessons learned and good practices on many of the ID system fundamentals, including on:
 - » Inclusive registration strategies, including offline and online options and ecosystem-based models.
 - » Communications and public engagement, including effective CSO engagement
 - » Supporting the deployment and development digital public goods and strengthening guidance on standards and procurement.
 - » Strengthening legal, operational, and technical safeguards and enablers for responsible data sharing, interoperability, and data governance.
- » Supporting the contextually-appropriate design, piloting, and deployment of new models and approaches, for example on:
 - » Exploring new models for digital authentication such as, including decentralization and federations, including for cross-border interoperability.
 - » Increasing privacy-by-design and data subject empowerment, for example by examining options for protecting unique identifiers (such as tokenization) and supporting solutions that provide people with more oversight and control over their data.
- » Developing knowledge and data on ID impact and effective design:
 - » Boosting data and analysis on the coverage, accessibility, and utility of ID systems, building evidence on the impact of ID, and strengthening policy-relevant evidence on ID agencies/projects through comprehensive learning and evaluation strategies.



In 2022, G2Px will continue responding to the growing demand from countries and regions, as well as scaling up the analytics and advocacy activities to inform the global agenda on digital G2P programs. Governments around the world have witnessed how investments in shared digital infrastructures that support a modern G2P architecture can be critical to quickly scale up and safely deliver G2P payments under emergency situations. Furthermore, digital G2P programs have the potential to advance other government goals such as financial inclusion, women's economic empowerment in addition to creating efficiencies at the program-level and government-wide. As more countries consider the transition to digital G2P payments and start embarking in their own G2P architecture modernization journey, evidence-based guidance and advisory services, on how to design and implement these in a way that are conducive to long-term development outcomes, is timely.

Key themes for 2022:

- » Leveraging the lessons learned and evidence gathered from the COVID-19 response to provide guidance and highlight good practices to scale up digital G2P payments. This includes:
 - » Providing technical assistance to countries as they continue to plan new rounds of emergency social assistance payments and as they design the programs that will support the recovery and reactivation of the labor market.
 - Supporting countries in scaling up their digitization efforts beyond the COVID-19 response, to digitize other social assistance payments and G2P payment streams.
 - » Deepening and expanding country engagements to support countries in their journey to digitize G2P payments with a whole of government approach.
- » Continuing to document and build evidence on the design choices of a modern G2P architecture through:
- » Generating sex-disaggregated data and evidence.
- » Continuing administrative data collection of G2P payment methods.
- » Expanding quantitative and qualitative data collection to support country implementations.
- » Leveraging country implementations and data collection efforts to build evidence.
- » Providing guidance on the cross-sectoral bottlenecks and opportunities of G2P digitization including:
 - Continuing to identify and address operational guidance needs through global analytics and knowledge products.
 - » Documenting bottlenecks and good practices on themes such as clawback clauses and payment service provider procurement and business models.
- » Advancing the global digital G2P agenda and building consensus and support for good practices including by:
 - » Innovating on new approaches.
 - » Scaling-up advocacy, knowledge sharing and global convening across development partners.

BENNO NDULU



ID4D and G2Px would like to pay tribute to Professor Benno Ndulu, former Governor of the Bank of Tanzania. Professor Ndulu was a devoted member of the ID4D High Level Advisory Council (HLAC) and a champion of ID as a cornerstone of development, especially for advancing financial inclusion and Africa's digitalization, agendas he was so passionate about. His leadership and participation on the HLAC is dearly missed, but his lasting legacy of innovation and change will continue to impact Tanzania, Africa, and the world.

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ABOUT THE ID4D INITIATIVE

ID4D combines global knowledge, cross-sectoral expertise, financial and technical assistance, and partnerships to help countries realize the transformational potential of digital ID and civil registration ecosystems. The goal is to accelerate inclusive growth and the achievement of a wide range of development outcomes by enabling all people to access more and better services and exercise their rights. Today, ID4D is supporting 49 countries and shaping more than US\$1.5 billion in pipeline or committed financing for the implementation of digital ID and civil registration ecosystems in 35 of them. ID4D has become a thought leader and knowledge hub on why ID matters for development, how to build Good ID and civil registration ecosystems, and tracking of impact and progress. The initiative comprises parts of the World Bank Group working on digital development, social protection, health, governance, gender, social inclusion, legal, financial sector development, private sector development, regional integration, data, and forced displacement. A High-Level Advisory Council of eminent persons support advocacy and provide strategic guidance, and a technical experts group of experienced practitioners provides leading-edge advice.

To find out more about ID4D, visit id4d.worldbank.org

ABOUT THE G2PX INITIATIVE

G2Px was launched in early 2020 in partnership with the Bill & Melinda Gates Foundation. The initiative contributes to the broader agenda of improving government-to-person (G2P) payments through digitization, with the objective of shifting the G2P digitization paradigm beyond program-specific efficiency gains to one that simultaneously accelerates critical development outcomes such as financial inclusion, women's economic empowerment, and government fiscal savings. Through G2Px, the World Bank Group seeks to establish a framework, develop good practices, and provide upstream technical assistance to radically improve G2P payments globally. The initiative will help build a global movement ensuring that all G2P programs aim and design for broader inclusion and empowerment outcomes through a focus on digitization.

To find out more about G2Px, visit worldbank.org/g2px

PARTNERSHIP PLATFORM

The ID4D partnership platform and Multi-Donor Trust Fund (MDTF) was launched in 2016 to shape ID4D's work and the broader digital ID agenda. Over the past five years, ID4D has capitalized on the intellectual partnership with the Bill & Melinda Gates Foundation, the UK government, the Norwegian Agency for Development Cooperation, the French government, the Omidyar Network, and the Australian government, with each bringing their own unique perspectives. When G2Px was launched in 2020, the partnership platform and MDTF were expanded to support both ID4D and G2Px activities. ID4D and G2Px work closely with a range of partners, such as bilateral development and UN agencies, regional organizations, the private sector, civil society, and the academic and research communities.

