Ethiopia’s Digital ID Ecosystem; Challenges, Opportunities and Lessons

Digital ID and Interoperability Conference, The Gambia

Identity is the new collateral
National ID Program - Background

Why Digital ID?

- Current ID issued by lowest administrative unit - not foundational, analogue, vulnerable to fraud and not traceable.
- eKYC and Authentication needs at financial institutions, digitalization of government services, need to prevent fraud and double benefit in social protection program.
- Recognized under the National Payment System Strategy and the National Financial Inclusion Strategy.
Objective

- Issue a Unique Identifier that will serve as the Primary Proof of Identity to Access Services
- Build a Sustainable Digital ID supporting all Use-Cases
- Issue Digital ID to 90 Million Residents by 2026

Status

- ID law enacted on March 2023 Ethiopian Digital Identification Proclamation 1284/2023
- Over 1.4 Million Digital ID credentials
- Integration public and private institutions. i.e. Ministry of Revenues, Financial Service Providers, Ministry of Education
- Available in over 180 locations in revenue offices and banks
- Collaborations on progress with development partners
Digital ID Proclamation 1284/2023 – Sneak Peek

- Inclusion primary principle (Leave NO ONE behind!)
  - resident based
  - free registration
  - proof exception
  - disability exception
  - minors exception
- Data minimization and sensitive data
- Privacy by design
- Data protection
- Criminal liability
FAYDA Platform

- Modular Open Source Identity Platform based on MOSIP
- Made by International Institute of Information Technology, Bangalore India
- Open Standards
  ✓ Avoids Vendor lock ins
- Scalable and Customizable
  ✓ Scale Up/Down
  ✓ Country Context
- Accepted as Digital Public Goods.
- Digital Public Goods Alliance - UNDP, UNICEF
- Data Privacy
  ✓ Minimal Data Collected
  ✓ Data is encrypted at all times
- Manageable
  ✓ Easily maintenance
  ✓ Monitoring and auditing

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Residents register with basic information

- Demographic
- Evidence Documents
- Biometrics

**Central System Validates Registration Data**
- Data Sanity Check
- Duplication Check
- Security Check

**ID Number Generation**

**Notification SMS/Email Sent**
- With UIN for Successful Registration
- Failure Report for Failed Registration

**ID Authentication Service**
- Guarantee ID Authenticity
- Provide eKYC Data
- Digital Interoperability
- Online/ Offline Answering
Enrollment Ecosystem

1. National ID
2. Super Agent
3. NID Partner
   - NID Officer
   - Agents
   - Partner Registration Center
Authentication Ecosystem
Pilot Summary

- Identity is proved using functional ID
- Ease of getting Fayda ID
  - Minimal Data Collected
  - Free of Charge and inclusive of all
- Use-case Centered

1.4 M Total Registrants
100 K Pilot Registration
22 K rPSNP Registrants
4 Regions
Opportunities and Outcomes

**Beneficiary Identification and Targeting**
- Help the PSNP accurately identify beneficiaries, ensuring that aid is targeted towards those who need it most

**Reduce Duplication of Efforts**
- Help avoid duplication of efforts and resources, such as when different programs unknowingly support the same individuals or families

**Farmer Support**
- Digital IDs could be used to manage the distribution of agricultural inputs like seeds, fertilizer, and farming equipment

**Food Security Program**
- Distribute food aid or manage enrollment in nutrition programs
Opportunities and Outcomes cont'd

Education and Training
- Register beneficiaries for education and training programs, whether for children's schooling or adult vocational training.
- Identify who is accessing these services could help to identify gaps and improve program design.

Access to Healthcare Services
- Access healthcare services, such as vaccinations or check-ups. This could be used to monitor health trends within the beneficiary population and inform public health initiatives.

Accelerate Digital Economy
- Income generation for governments
- Utilize DPGs and open sources

Financial Inclusion
- Open bank accounts, apply for microloans, or receive direct cash transfers. This could help to reduce reliance on informal and often risky forms of credit and improve financial resilience.
Challenges

- Low Level of Infrastructure
- Low digital Literacy especially in the rural areas
- Aligning all government priorities and strategies to reduce effort duplication
- High budget demand
Lessons Learnt

- Identify pain points of service providers and customers
- Find selling points to other government agencies and partners
- Compliance with human rights standards
- Pilot with the marginalized and vulnerable group of people
- Consider both offline and online options for authentication
- Take critical issues into account - gender and digital divide