e-Naira: Genesis, Policy Efforts of President Muhammadu Buhari, Sanusi Lamido Sanusi and The Central Bank of Nigeria, And Lessons for Central Bank Digital Currency in Africa

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***Abstract*—This paper examines the genesis of e-Naira, Nigeria's Central Bank Digital Currency (CBDC), with special focus on the policy efforts of His Royal Highness Sanusi Lamido Sanusi as Governor of the Central Bank of Nigeria (2009-2014) who initiated the cashless policy, and His Excellency President Muhammadu Buhari who officially launched e-Naira on 25th October 2021 as Africa's first CBDC.**

The paper adopts a conceptual and historical review approach, relying on CBN publications, NIBSS reports, and extant literature. The study traces the evolution from cashless policy (2012) to the launch of e-Naira, its design features, objectives, achievements and challenges. Findings show that e-Naira was born out of the need to improve cross-border trade, enhance financial inclusion, reduce cost of cash management, and provide a resilient alternative to private cryptocurrencies. Despite its innovative launch, adoption has been limited (13 wallets per NIBSS 2023, 13 million downloads but low active usage) due to low awareness, poor internet, distrust, and competition from USSD/NIP which merchants in semi-urban areas like Mubi prefer. The paper concludes that the efforts of Sanusi Lamido Sanusi in laying cashless foundation and President Buhari in launching e-Naira are historic and must be documented naturally as a bold step for Africa.

Lessons include need for offline functionality, massive awareness campaign, and integration with existing USSD infrastructure. The paper recommends preservation of e-Naira as a national digital asset while improving its usability.

***Index Terms*—e-Naira, Central Bank Digital Currency (CBDC), Sanusi Lamido Sanusi, Muhammadu Buhari, Cashless Policy, Financial Inclusion, CBN**

I. INTRODUCTION

Nigeria made history on 25th October 2021 when President Muhammadu Buhari, GCFR, unveiled the e-Naira at the State House, Abuja, making Nigeria the first country in Africa and one of the first in the world to launch a Central Bank Digital Currency (CBDC). The e-Naira was described by President Buhari as a critical tool to increase remittances, foster cross-border trade, improve financial inclusion, and make monetary policy more effective (CBN, 2021; Buhari, 2021).

However, e-Naira did not emerge in a vacuum. Its foundation was laid over a decade earlier by His Royal Highness Sanusi Lamido Sanusi, CON, as Governor of the Central Bank of Nigeria (June 2009 - February 2014). Sanusi introduced the Cashless Policy in 2012 starting with Lagos, with the vision to reduce dominance of cash, reduce cost of cash management (estimated at 60% of banking industry overhead then), curb corruption and enhance electronic payment (CBN, 2012; Sanusi, 2012). That policy birthed POS, NIP, USSD and later paved way for CBDC.

The efforts of these two leaders - Sanusi Lamido Sanusi as architect of cashless Nigeria and Muhammadu Buhari as launcher of Africa's first CBDC - deserve natural documentation, independent of empirical performance in Mubi or elsewhere. This paper therefore seeks to naturally document the genesis, policy efforts, design, and lessons of e-Naira as a tribute to their vision.

The objectives are:

1) To trace historical evolution from cashless policy (Sanusi era) to e-Naira launch (Buhari era).
2) To examine design, objectives and features of e-Naira.
3) To assess achievements and challenges of e-Naira implementation.
4) To draw lessons for future CBDC in Nigeria and Africa.

II. LITERATURE REVIEW

2.1. Concept of Central Bank Digital Currency (CBDC)

CBDC is digital form of central bank money, legal tender, exchangeable at par with cash (BIS, 2021). Types: Retail (for public like e-Naira) and Wholesale (for banks). Motivations include financial inclusion, reducing cash cost, countering private crypto, improving cross-border payments (Auer et al., 2022).

2.2. Evolution of Cashless Policy in Nigeria

The Sanusi Lamido Sanusi Era Upon assumption in 2009, Sanusi met a cash-dominated economy with 90% of transactions in cash. He introduced:

- Cashless Policy (January 2012): Limits on cash withdrawals (N500k individual, N3m corporate then) with charges.
- Establishment of NIBSS Instant Payment (NIP) in 2011.
- Licensing of Mobile Money Operators (2010).
- Financial Inclusion Strategy 2012.

Sanusi argued cashless would reduce robbery, kidnapping for ransom, money laundering, and enhance tax collection (Sanusi, 2012). Despite initial resistance from National Assembly and public, he insisted Nigeria cannot develop with cash economy.

2.3. The Buhari Era and Launch of e-Naira

President Muhammadu Buhari, who had as military Head of State introduced currency change in 1984, understood importance of monetary sovereignty. Facing rise of Bitcoin, MMM, and private cryptocurrencies threatening CBN control, and high cost of cash (CBN spent N58bn printing cash in 2020), his administration approved CBN's CBDC project in 2021.

On 25th October 2021, Buhari launched e-Naira with slogan "Same Naira, More Possibilities" at State House. He stated e-Naira could boost GDP by $29bn over 10 years, increase remittances and reduce cost of cash (Buhari, 2021). CBN Governor Godwin Emefiele implemented it via Bitt Inc. as technical partner.

2.4. Design and Features of e-Naira

e-Naira is built on Hyperledger Fabric blockchain (private permissioned). Wallets:

- Tier 0: Phone number only, limit N50k daily
- Tier 1: NIN verified, N200k daily
- Tier 2: NIN + BVN, N500k daily
- Tier 3: Full KYC, N50m daily

Features: P2P transfer, merchant payment, QR code, cross-border (planned).

2.5. Empirical Review

NIBSS (2023) reports 13 million e-Naira wallets downloaded but only 1.4 million active, transaction value N22bn vs NIP value N387 trillion in same period.

Low adoption attributed to low awareness (68% of traders in Mubi unaware - Okonkwo, 2023), lack of offline USSD, competition from OPay, PalmPay, and distrust. Yet, Auer et al. (2022) argues CBDC is long-term project; Bahamas Sand Dollar took 3 years to pick.

No study has documented efforts of Buhari and Sanusi together as continuum; this paper fills that gap.

III. METHODOLOGY

This paper adopts conceptual and historical review methodology. Data sources are secondary:

- CBN publications: Cashless Policy Guidelines (2012), e-Naira Design Paper (2021).
- Presidential speeches: Buhari e-Naira launch speech (25/10/2021).
- Sanusi Lamido Sanusi lectures: Financial System Strategy 2020, Cashless Policy presentations (2012-2013).
- NIBSS reports 2022, 2023.
- BIS reports on CBDC (2021, 2022).
- Peer-reviewed articles on e-Naira.

Analysis is thematic and chronological, tracing continuum from 2012 to 2023. No primary data collection as this is tribute/historical documentation paper, distinct from empirical Mubi SMEs study.

IV. DISCUSSION: GENESIS, ACHIEVEMENTS AND CHALLENGES

4.1. The Continuum: From Sanusi's Cashless to Buhari's e-Naira

Sanusi's cashless policy was foundation. He said in 2012: "We must move from cash to electronic, or we cannot tackle corruption." He endured political attacks but insisted. Buhari completed the vision by digitizing Naira itself. Thus, e-Naira is not just CBN project, it is Sanusi-Buhari legacy.

4.2. Objectives of e-Naira

CBN listed 5 objectives:

1) Improve cross-border trade and remittances (Nigeria receives $20bn remittance yearly).
2) Improve financial inclusion (36% adults excluded then).
3) Reduce cost of cash management (N58bn in 2020).
4) Provide alternative to private crypto-currencies.
5) Enable targeted government interventions (e.g., conditional cash transfer).

4.3. Achievements

- Africa's first CBDC, global recognition.
- 13 million wallets, 1.4m active, N22bn transactions as of Dec 2023.
- Integration with 33 banks.
- Speed Wallet for merchants.
- Used for 4th Mainland Bridge fundraising test.
- Academic interest: Over 40 M.Sc. theses in Nigeria on e-Naira (including Mubi study).

4.4. Challenges

- Low awareness: In Mubi, 68% SMEs unaware of e-Naira benefits (Okonkwo, 2023).
- No USSD offline: Requires internet, unlike NIP *737# which works offline.
- Competition: OPay, PalmPay, Moniepoint offer faster onboarding.
- Fake news: "e-Naira will make CBN monitor all transactions" - privacy fears.
- Poor electricity and internet in semi-urban areas.
- Merchant reluctance: Fear of no instant alert compared to NIP.

Thus, while efforts of Buhari and Sanusi are historic, adoption lags due to infrastructural and trust issues, not policy defect.

V. LESSONS AND WAY FORWARD LESSONS FROM E-NAIRA EXPERIMENT

1. CBDC Needs Offline Functionality: e-Naira should integrate USSD (*997#) like NIP, as semi-urban traders prefer offline. Bahamas Sand Dollar succeeded because it works offline.
2. Massive Awareness Campaign: Sanusi did roadshows for cashless in 2012. Similar needed for e-Naira in local languages (Hausa, Yoruba, Igbo, Fulfulde).
3. Incentivize Merchants: Reduce e-Naira merchant charge to 0% vs POS 0.75%, and provide instant alert.
4. Integrate with Existing Fintechs: Allow OPay, PalmPay, and Moniepoint to distribute e-Naira.
5. Preserve History: Document Buhari and Sanusi efforts in CBN museum and academic curricula. Their vision made Nigeria pioneer in Africa; Ghana, Kenya is now studying e-Naira.
6. Do Not Abandon e-Naira: Even if adoption low now, CBDC is future. China e-CNY took 8 years R&D. Nigeria should keep improving.

Future Research:

Empirical study of e-Naira adoption in border economies like Mubi, Banki, Jibiya; impact of e-Naira on cross-border trade with Cameroon, Niger.

VI. CONCLUSION

e-Naira is a historic achievement that must be documented naturally. Sanusi Lamido Sanusi as Governor of CBN conceived cashless Nigeria and laid foundation through NIP, POS, and cashless limits despite political resistance. President Muhammadu Buhari had courage to launch Africa's first CBDC on 25th October 2021, declaring "Same Naira, More Possibilities" and positioning Nigeria as leader in digital currency.

Their efforts measured by vision, not immediate adoption figures. Like all innovations, e-Naira faces adoption challenges, but its existence is testament to Nigerian leadership in Africa's financial innovation. Even if Mubi traders currently prefer NIP/USSD (Mean 4.11) to e-Naira (Mean 2.94), e-Naira remains national digital asset that future generations will build upon.

This paper therefore honours their efforts and

recommends preservation, improvement, and integration of e-Naira with offline USSD to serve semi-urban SMEs. The story of e-Naira is story of Sanusi's foresight and Buhari's bold implementation. Allah ya sakawa Gen. Muhammadu Buhari da Sanusi Lamido Sanusi da alheri bisa kokarin da suka yi wa Najeriya.

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