Digital ID in driving Social Protection – Learning from India

Seoul

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Building a better working world

Agenda

Digital ID driving Social Agenda

Challenges in delivery of Social Protection Schemes

Role of Identity in streamlining social protection process

Leveraging Identity for Social Development

Evolution of Digital Identity systems

India experience : 'Aadhaar' as the Digital Identity

Aadhaar-enabled service delivery to strengthen Social Development

Learnings from Aadhaar that other National ID systems can adopt

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Challenges in delivery of Social Protection Schemes

1 **Policy**

▶ Variation in social welfare schemes across States – in terms of intended beneficiary, benefit provided, eligibility criteria etc.

▶ Securing continued political support, for continued spending and provision for social welfare schemes

2 **Technology**

▶ Lack of a centrally controlled and efficient technology environment, resulting in sub-optimal information visibility at the department/ministry

▶ Lack of digitized records of beneficiaries across schemes

▶ Absence of monitoring mechanism

3 **Implementation**

▶ Identification of eligible beneficiary - duplicate records exist across different databases

▶ Benefit payments made using non-standard processes that vary at state level, district level, leading to high administration costs

▶ Inconvenience to beneficiaries, both in receiving payments, and in leveraging last-mile access options due to lack of secure and reliable financial instruments

4 **Capacity Building**

▶ Lack of awareness amongst beneficiaries

▶ Poor state capacity to run social welfare programs sustainably

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Role of Identity in streamlining social protection process
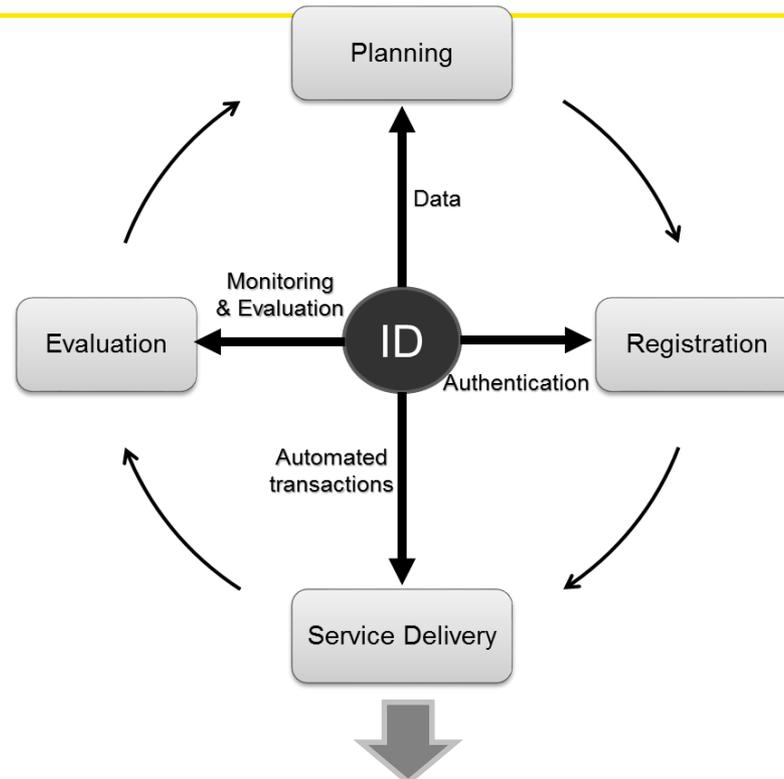
PLANNING	REGISTRATION	SERVICE DELIVERY	EVALUATION
Designing schemes for various target groups	Targeting vulnerable groups across sectors	Direct benefit transfer across sectors such as education, health, finance	Tracking service delivery to the last mile
Reviewing and restructuring the existing schemes	Creation on integrated records for beneficiaries	Benefits disbursement	Tracking leakages and misreporting

Leveraging Identity for Social Development

1

Social Inclusion

► Lowers transaction costs for beneficiaries seeking to enter a social security programs
► Enables governments to create exhaustive and reliable beneficiary databases
► Enables new opportunities in critical sectors for improving delivery

2

Financial Inclusion

► Helps financial institutions in easily performing Know Your Customer checks to establish identity
► Empowers marginalised residents by enabling access to financial services
► Aids in servicing residents in remote areas through banking services
► Helps in reducing cost of transactions through easy resident authentication

3

Customer Service Delivery

► Helps in building a reliable population register and better performance analytics leading to improving efficiencies
► Helps in eliminating duplicate or ghost beneficiaries leading to reducing wastage
► Aids in checking leakages by direct transfer of welfare benefits
► Enables efficient public service delivery
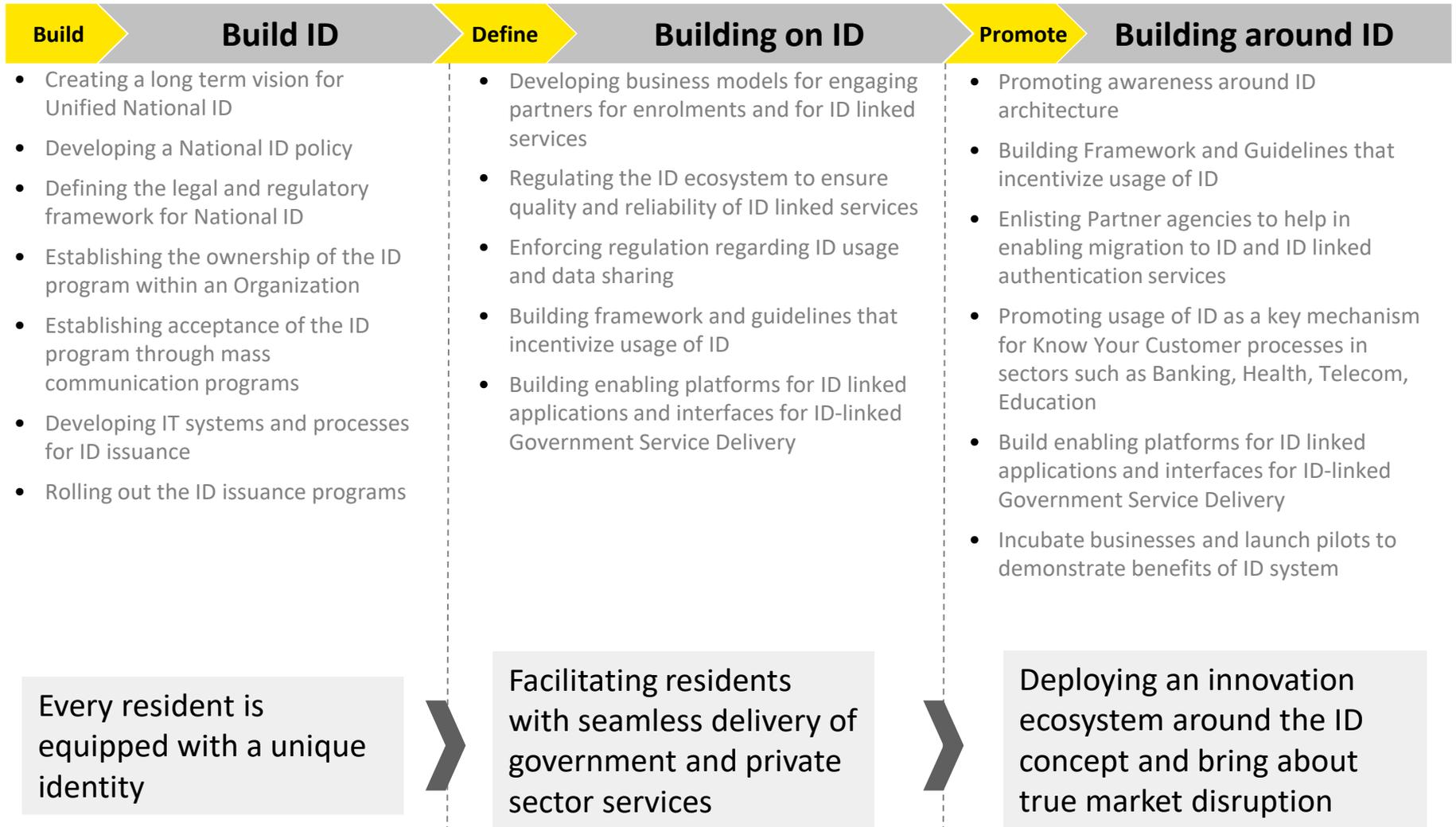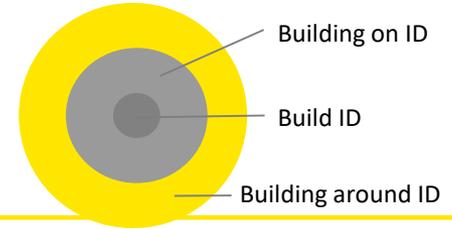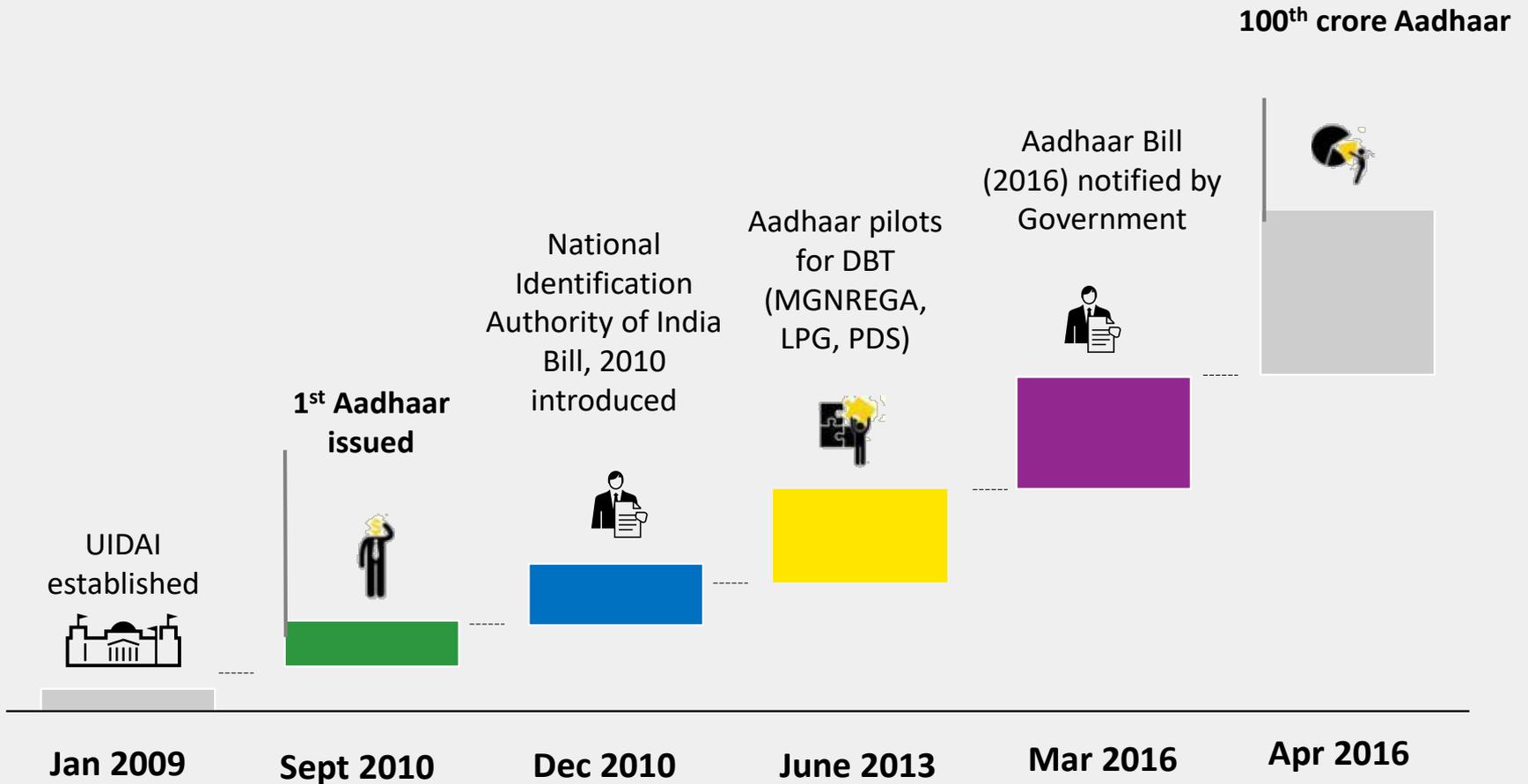
4

Development Planning

► Provides opportunity for governments to segregate by geography, income, gender, age etc. to identify target population
► Helps in prioritization of programs through better estimation of impact
► Acts as easy to monitor programs for effectiveness

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Evolution of Digital Identity systems

- Building on ID
- Build ID
- Building around ID

Build	**Build ID**	Define	**Building on ID**	Promote	**Building around ID**

Build ID

- Creating a long term vision for Unified National ID
- Developing a National ID policy
- Defining the legal and regulatory framework for National ID
- Establishing the ownership of the ID program within an Organization
- Establishing acceptance of the ID program through mass communication programs
- Developing IT systems and processes for ID issuance
- Rolling out the ID issuance programs

Building on ID

- Developing business models for engaging partners for enrolments and for ID linked services
- Regulating the ID ecosystem to ensure quality and reliability of ID linked services
- Enforcing regulation regarding ID usage and data sharing
- Building framework and guidelines that incentivize usage of ID
- Building enabling platforms for ID linked applications and interfaces for ID-linked Government Service Delivery

Building around ID

- Promoting awareness around ID architecture
- Building Framework and Guidelines that incentivize usage of ID
- Enlisting Partner agencies to help in enabling migration to ID and ID linked authentication services
- Promoting usage of ID as a key mechanism for Know Your Customer processes in sectors such as Banking, Health, Telecom, Education
- Build enabling platforms for ID linked applications and interfaces for ID-linked Government Service Delivery
- Incubate businesses and launch pilots to demonstrate benefits of ID system

Every resident is equipped with a unique identity

> **Facilitating residents with seamless delivery of government and private sector services**

> **Deploying an innovation ecosystem around the ID concept and bring about true market disruption**

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The India Digital Identity Experience – "Aadhaar"

100th crore Aadhaar

Aadhaar Bill (2016) notified by Government

Aadhaar pilots for DBT (MGNREGA, LPG, PDS)

National Identification Authority of India Bill, 2010 introduced

1st Aadhaar issued

UIDAI established

| Jan 2009 | Sept 2010 | Dec 2010 | June 2013 | Mar 2016 | Apr 2016 |

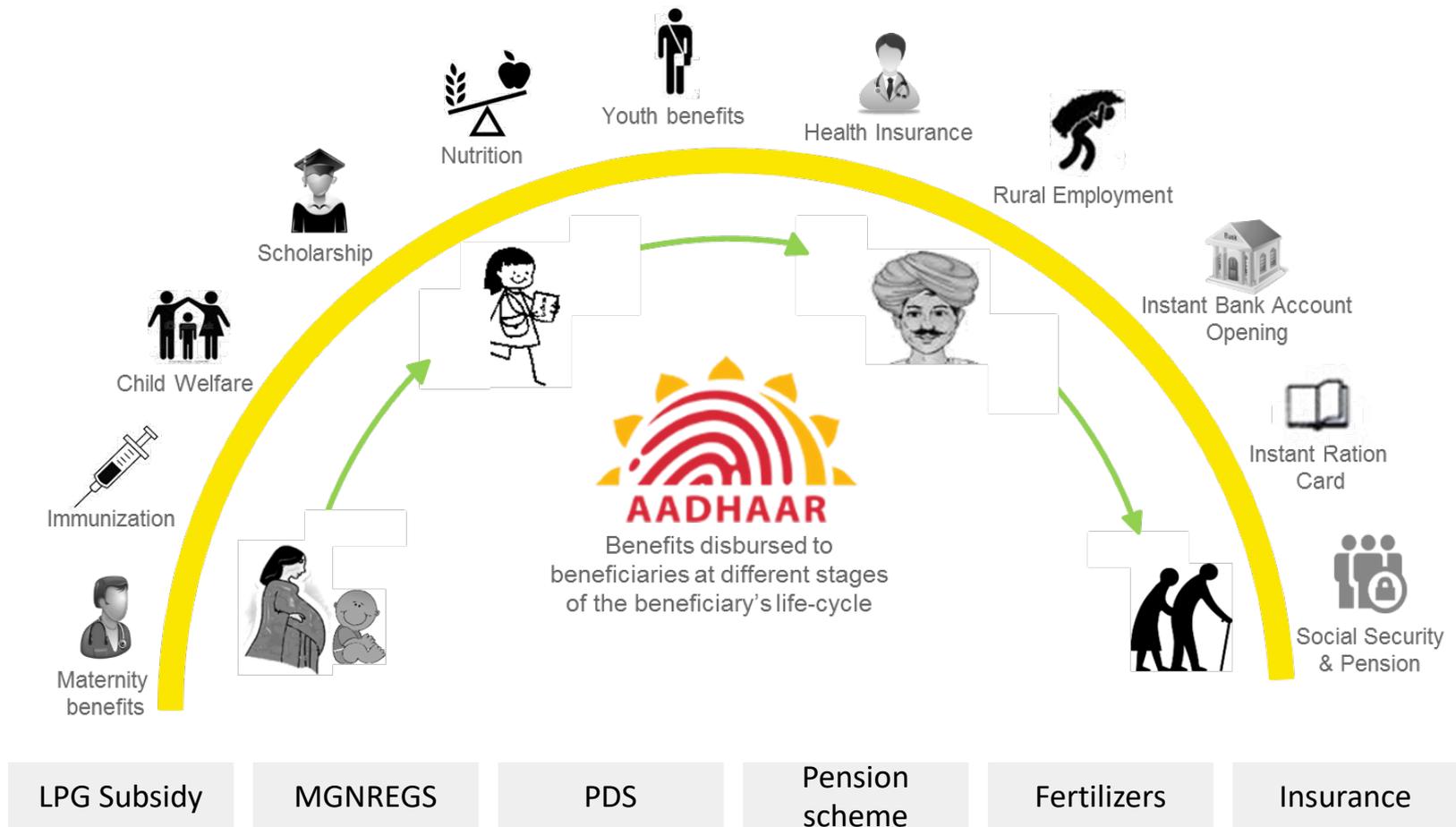**Preparatory: Build Aadhaar** ➤ **Intermediate: Build on Aadhaar** ➤ **Advanced: Build around Aadhaar**

Challenges in building Aadhaar

POLICY

Legal authority for enrolment

► No authority to collect biometric information for residents

Privacy and Security

► Concerns regarding safety of data
► Possibility of privacy breach and tracking using UID

Scalability

► Covering 1.25 Billion residents within 6-7 years would require setting up infrastructure for enrolment and then scaling down

OPERATING MODEL

Data capture for UID issuance

► List of data fields to be captured
► Valid Proof of Identity / Proof of Address documents and their verification procedure

Turnaround time for enrolment ecosystem

► Multiple actors making it difficult to turnaround quickly to enroll residents

TECHNOLOGY

Unknown compute & unpredictable investments

► Exponential compute requirements having cascading effect on costs
► Unpredictable transaction needs
► High cost of application, database licenses and data center

Evolving Technology of Biometrics

► Large variation in maturity of technology components amongst suppliers
► Vendor solutions - "closed shell" with low interoperability

ADOPTION

Communication

► Communicating the need and benefit of UID
► Communicating the Aadhaar number to residents after enrolment

Linking Aadhaar with other databases

► Difficult to link Aadhaar with resident records in other Government databases

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Aadhaar enabled schemes to strengthen Social protection

Benefits disbursed to beneficiaries at different stages of the beneficiary's life-cycle

Schemes around the arc: Maternity benefits, Immunization, Child Welfare, Scholarship, Nutrition, Youth benefits, Health Insurance, Rural Employment, Instant Bank Account Opening, Instant Ration Card, Social Security & Pension

LPG Subsidy	MGNREGS	PDS	Pension scheme	Fertilizers	Insurance

India is witnessing a shift from Govt. focus from social assistance to social empowerment and thereby, extending the benefits of Aadhaar-enabled services to larger segments of population

Summary of the program investments and downstream benefits accrued by Aadhaar

The total cumulative expenditure including the capital and operating expenses on Aadhaar till date has been around 1.15 billion USD which translates to about 1.15 USD per resident

Achievements

► More than 1.05 bn people have Aadhaar
► Every day more than 600K people get enrolled for Aadhaar.
► Largest online digital identity platform in the world

Aadhaar Usage

► 254.8 mn Bank accounts linked with unique Aadhaars
► Over 122 mn (71%)LPG connections linked with Aadhaar
► Over 113 mn (45%) ration cards linked with Aadhaar
► Over 59 mn (60%) NREGA Cards linked with Aadhaar

Aadhaar Authentication

► Over 1.50 bn authentication transactions done by UIDAI
► Over 84 mn e-KYC transactions done at UIDAI
► UIDAI authenticates over 4 mn transactions per day

INR 146.7 bn saving

DBTL (PAHAL)

INR 23.46 bn saving

PDS*

INR 660 mn saving

Pensions - Jharkhand, Chandigarh and Puducherry

World Bank estimates that Aadhaar is saving approximately USD 1 billion (INR 6,500 crores) a year by reducing corruption and leakage for the Indian government.

* Estimated PDS saving across 4 states of Andhra Pradesh, Telangana, Puducherry and Delhi
Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=138555

Learning from Aadhaar that other national IDs can adopt

Principle	Description
1 — Id should only prove the identity	Focus of Id may be limited to authenticating identity of an individual; and not his/her rights, benefits, attributes or entitlement
2 — Demand Generation	Ensure adoption of the Id by service providers leading to incentivisation of faster adoption by residents
3 — Privacy of the resident's data	The data of an individual should not be shared without the prior consent of the individual and privacy should be enforced by design
4 — Ecosystem approach	Focus on core, utilize network of stakeholders to provide services to the residents
5 — Business model	Performance or outcome linked payments brings in greater accountability on vendor to not just deliver the right solution but also deliver the results
6 — Preventing technology & vendor lock-in	The entire solution could developed on open source (but proven) technologies without compromising on the performance of the enrolment and authentication infrastructure.
7 — Form-factor	The fundamental to Identity is not the ID card, but the identity data, that can be leveraged by storing it on various media depending on needs and budgets.
8 — Platform approach	To have light-weight and full-feature variants to support the functioning of facilities like PHCs, CHCs or the District Hospitals
9 — Use of ID as a platform	ID would be adopted in Mobile Applications & Personal/Wearable Devices with the ID becoming a "Ubiquitous Identity" adopted by Government as well as private sector

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