

# *Challenges in Aadhaar Implementation : Opportunities for products and innovations*



27 May 2011

??????



*“Conception is easy Delivery is difficult”*

- About Aadhaar- What the world speaks
- What is in it for us?
- What are the challenges to achieve this?
- How to overcome the challenges?
- What are the opportunities for us?
- What will be the commercial impact?
- Opportunity expanded- Products and Innovations UID based government services
- Opportunity expanded- Products and Innovations UID based private services
- Opportunity expanded- 100% UID means
- What is this Revolution?

Research estimates that the UID exercise can bring nearly **125 million people** into the **banking system** over the next 5 years

*CLSA estimates*

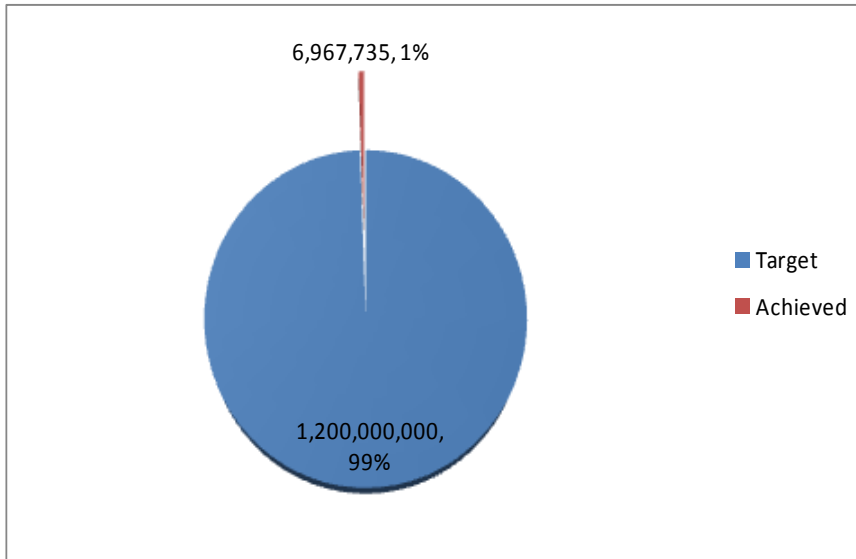
Estimates are that the poor pay **\$10-12 billion in usurious interest** each year. Even MFIs charge 20-30% interest.

*'What's in a number', CLSA report estimates*

Last year, Sanjay Kumar Agarwal, district magistrate and collector of Nalanda, uncovered nearly 35,000 cases of **fake, duplicate identities** in the government's incentives programme for BPL families in the district *Press reports*

Telcos will stand to gain **60 million new subscribers, \$4.5 billion in mobile payments and \$2 billion in revenue per user and handset sales**, thus ensuring reach of mobility solutions. *TRAI, Accenture estimates*

- Current Scenario?



- 69,67,735 Aadhaar has been issued, as on 24<sup>th</sup> May 2011
- **99% of the population still to be issued Aadhaar**

# What are the challenges to achieve this?



## Strategic

- Government policies & regulations related to UID enrolment & enablement
- Enabling UID adoption for authentication
- Creating one time UID database & managing on continuous basis
- Uptake of UID by Urban people
- Positioning of UID towards government schemes

## Operational

- Infrastructure for creating mass human resources for UID enrollment – operators, supervisors, tech support
- Quality of enrollment data and reducing the time frame for issue of UID
- Managing UID status of individuals throughout the life cycle
- Agencies to re-engineer their business processes to be UID-enabled
- Availability of infrastructure for enrolment activities

## Technical

- Real time authentication
- De-duplication
- Data privacy and data security
- Credibility of the authentication process

## Strategic

- Make UID a mission mode project
- UID to be made a single element of identity and authentication for all government schemes and processes
- UID authentication services to be provided to private players like Banking, Telecom, Insurance, Hospital etc. for wider uptake

## Operational

- Empanel more certification agencies
- Government to facilitate the use of government infrastructure like schools, community centers etc for enrollment activities
- More support to enrollment agencies in financial terms
- Government to widen the electronic services based on UID under the NeGP e-Government plans.

## Technical

- Undertake a faster approach to de-duplication and reduce the UID enablement life cycle
- Build credibility by initiating a pilot UID based government service for real time authentication like PDS
- Initiate a data privacy policy at the National Level and create appropriate laws in the IT ACT

# What are the opportunities for us?



## Expected Outcomes

- 100% UID enrollment
- UID based government services
- UID based private services like banking, insurance, health care, telecom, retail
- UID authentication services

Translate to

## Opportunities

- Business Consulting
- IT consulting
- Hardware and software business
- Training
- Related business investments in IT hardware and software supply, AMC, government Business operations outsourcing, increased service through CSCs,

India's UID project will lead to \$10 billion worth of investments over the next 5-6 years\*



# What will be the commercial impact?



## Commercial Impact

### 1<sup>st</sup> wave over 5 years

Consulting \$1 BN

IT Services \$2.4 BN

Business Process  
Reengineering \$ 6 BN

Hardware \$400 M

Training Maintenance  
\$60 M

### 2<sup>nd</sup> wave over 5 years

Hardware \$3 BN

Handset Makers \$2 BN

Mobile Payment Services  
\$4.5 BN

Market Analytics  
Business Intelligence  
\$200 M

### 3<sup>rd</sup> wave potential per year

Target Marketing \$12 BN  
Per Annum

# Opportunities expanded – Products & Innovations

## UID based government services



### Fair Price Shop (PDS)

Farmer uses Aadhar to purchase commodities. UID helpful in maintaining account of distribution



### Local NREGRA Office

Farmer uses UID to register for scheme. Systems in place to identify UID, show records of previous employment – and make payment directly to Farmer's registered bank account



### Rural Hospital

Farmer goes to rural health centre. UID used to reveal the health history of the farmer as well as enable routing of health benefits



### Janani Suraksha Yojana at Government Hospital/Clinic

Pregnant mother visits hospital for pregnancy benefits, check-up or child delivery. UID used to manage this process.



### Insurance

UID will make the issuance of micro-insurance a lot easier. Farmers data will be classified by UID. TAT for issuance of loans against policies would be reduced



### Bank Biometric Micro-ATM

UID will assist in increasing the reach of banking services to rural sector. Biometric micro-ATMs will be set up to reach cash quicker to people in the rural sector. Lesser time in disbursing loans to the rural sector



### Rural Education Schemes

Farmer enrolls children in the rural education scheme, Using the UID, the scheme will be able to keep track of children enrolled and keep track of the level of education provided

# Opportunities expanded – Opportunities and Innovations UID based private services



**Apply for Insurance Policy**  
Provide UID to insurance company to register for a life insurance policy. Immediate KYC completion



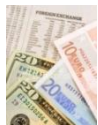
**Buy LED TV Online**  
Provide UID and linked bank account details to online shop to buy LED TV and have it delivered home



**Utilities Bill Payment**  
Pay utility bills from Mobile/online/branch by using UID which will be linked to bank account



**Apply for a Passport**  
Provide UID to apply for a passport. Applications can be processed faster due to ready access to information



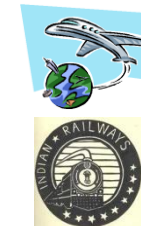
**Get Foreign Exchange**  
Provide UID to exchange & provide proof by scanning of finger prints. No document proof required



**Visit the hospital**  
Visit the local hospital for a check up. Provide UID to get details of medical history, irrespective of the location of the check up.

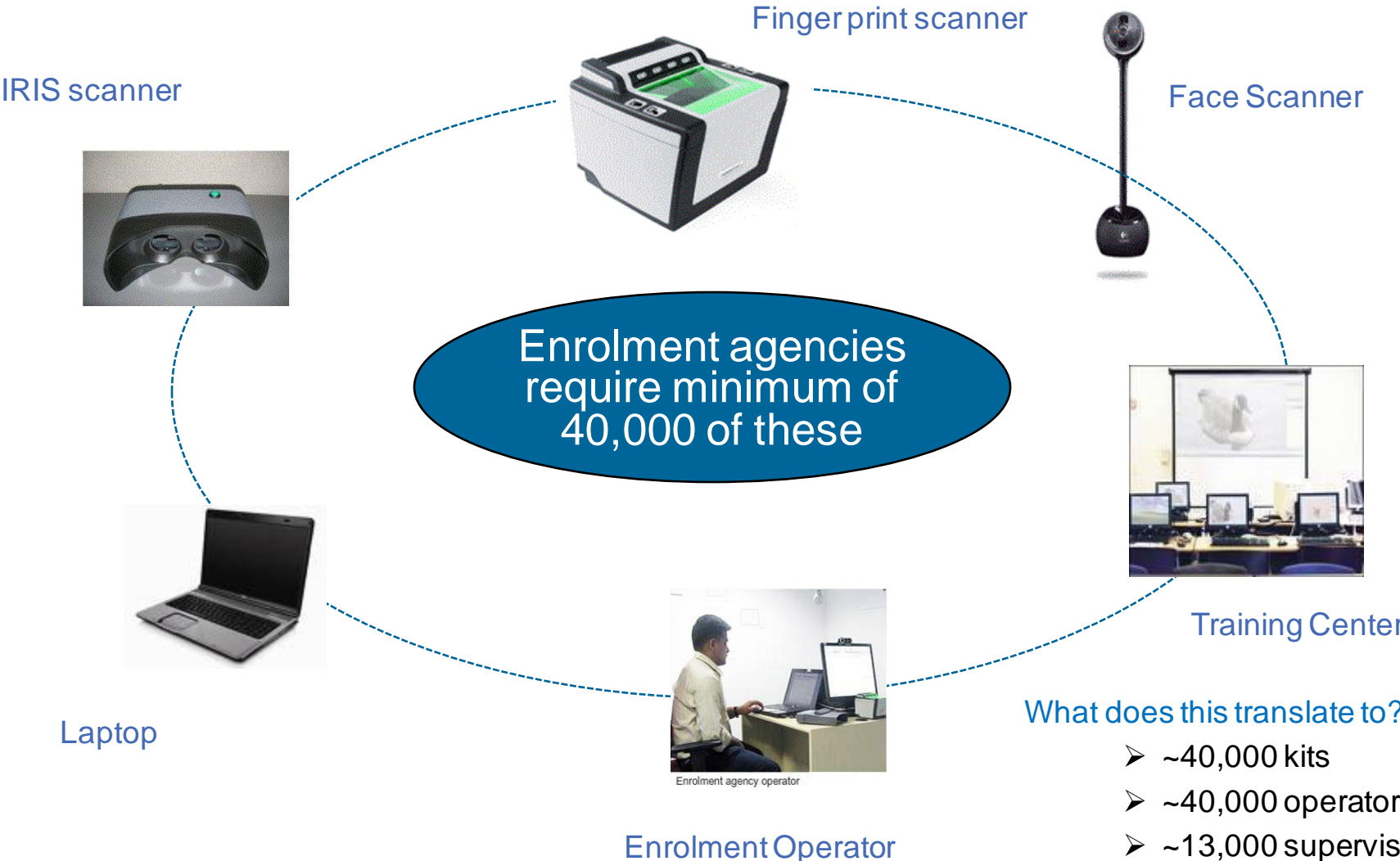


**Apply for a Mobile Connection**  
Provide UID to the mobile services provider to apply for a new connection. Obtain connection quickly as information is linked to UID. Servicing for existing mobile connections will be easier.



**Make Travel Plans**  
Provide UID to travel agent/website to book train / airline tickets. Payment linked to UID. UID authentication can replace physical documentary proof to manage penalties and fines for ticketless travel

# Opportunities expanded – 100% UID means....



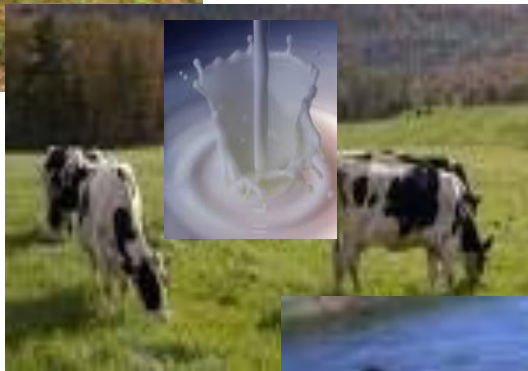
### What does this translate to?

- ~40,000 kits
- ~40,000 operators
- ~13,000 supervisors
- ~4,000 Technical support

# What is this Revolution?



1960s: Green revolution



1970s: White revolution



1990s: Blue revolution



2010: What is this revolution?

Thank You



Thank You