Support UIDAI deepen use cases for vulnerable populations

Insights, Impact, and Challenges

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Project Duration: November, 2023 to November 2025

Project overview

- The project aims to support the Unique Identification Authority of India ("UIDAI") to increase the usage of financial services by the low- and middle-income ("LMI") segment, women, and other vulnerable groups through Aadhaar

- Problem areas – Lack of new use cases of Aadhaar in financial inclusion, limited engagement of UIDAI with the ecosystem, and failures in Aadhaar-based transactions

- Innovative/unique approaches – a.) Driving change in a large public sector organization to innovate and engage, b.) Setting up an institutional structure for sustained innovation

- Thematic areas are – a) Innovation Sandbox, b) Aadhaar authentication ecosystem and AePS, c) Offline verification, and d) Cross-learning between UIDAI and global DPI ecosystem

Stakeholders and Geographies

- UIDAI – Aadhaar Usage Division, Technology Development Division, Authentication & Verification Division, and Media Division

- MOSIP, Protean, RBIH, NPCI, Airtel Payments Bank, India Post Payments Bank, Axis Bank, HDFC Bank, Jio, NIC, PayNearby, etc.

- Geographical focus – India

- Work location – Delhi, Bangalore

Project Outcomes Achieved (incl WIP)

- **Strengthened ecosystem engagement of UIDAI to decrease frictions in onboarding of entities and increase the usage of Aadhaar for inclusion (DBT, FI, e-services)**
  - 40+ entities participated in the Aadhaar stakeholder meet in May 2024 and 30+ Fintechs and start-ups participated at UIDAI Technology event at GFF, 2024
  - Ongoing discussions to make the onboarding process online through a web portal
- **Identification and scaling of new use cases and features of Aadhaar**
  - Policy changes under consideration for easier usage of Aadhaar offline verification for NBFCs and other financial inclusion use cases
  - Strong signaling of support for Aadhaar-based face authentication for AePS to reduce failure and account opening through video KYC
  - Launch of Innovation Sandbox and Hackathon (Theme: Inclusion) by Q1 2025 to identify and test new use cases of Aadhaar. Development of new features (single sign-on, Verifiable credential, Aadhaar status update) is underway
  - Changes underway to make the UIDAI website and online services related to Aadhaar more user-friendly and accessible
- **Two countries (Tanzania, Ethiopia) learned from Aadhaar, and learnings from India's experiences in Aadhaar were shared with many African countries at ID4Africa 2024**

Key learnings and insights

Things that worked

- Co-creation of key thematic areas with UIDAI

- Strong focus on key needs and strategic priorities of UIDAI within each workstream such as increasing usage of Aadhaar etc.

- Working with UIDAI based on its work style and environment. For instance, deputing staff members at the UIDAI Technology Centre

- Demonstrating initial success (Face auth Playbook at GFF, stakeholder meeting, Offline verification strategy)

Challenges

- Coordination and agreement with different divisions on the implementation of recommendations

- Engaging with a traditional closed organization that firefights new challenges almost every week

What could have been done differently?

- Onboarding multiple divisions and teams in the project planning phase itself

Opportunities for collaboration

- <u>Strengthening ecosystem engagement</u> – Participation of Protean, RBIH, and other entities in UIDAI stakeholder meetings and workshops. This greatly helps to understand the industry's challenges and perspectives on using Aadhaar for various financial inclusion use cases

- <u>Participation in Hackathons</u> – Outreach support to Fintechs, start-ups, etc, to participate in upcoming Hackathons on Aadhaar use cases (First Hackathon planned in Q1 2025)

- <u>Cohorts for UIDAI Innovation Sandbox</u> – UIDAI aims to complete the first phase of development of Innovation Sandbox by December 2024. Protean, RBIH, and others can assist in connecting with Fintech, start-ups, etc. for various pilots and cohorts launched under the Innovation Sandbox

  MOSIP is assisting in integrating its INJI and Esignet functionalities in UIDAI Innovation Sandbox

Team

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