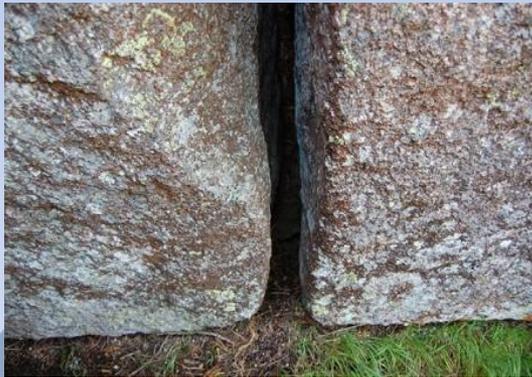




**WORLD BANK GROUP**

Social Protection & Labor

# Identification: The Cornerstone of Social Protection



Robert Palacios, Global Lead for Pensions and Social Insurance, World Bank  
First Government Forum on Electronic Identity in Africa  
Dar es Salaam, June 2-4, 2015

# Development does not always require identification...

Roads



Schools



Hospitals

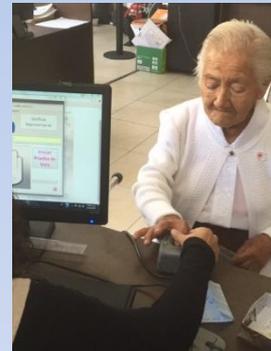


# But Social Protection programs deliver cash, goods or services to *individuals and households*

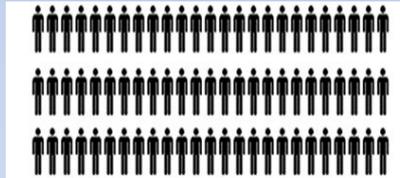
Cash transfers  
(public works,  
CCTs, social  
pensions)



Old age and  
disability  
Pensions



Subsidized  
food and fuel



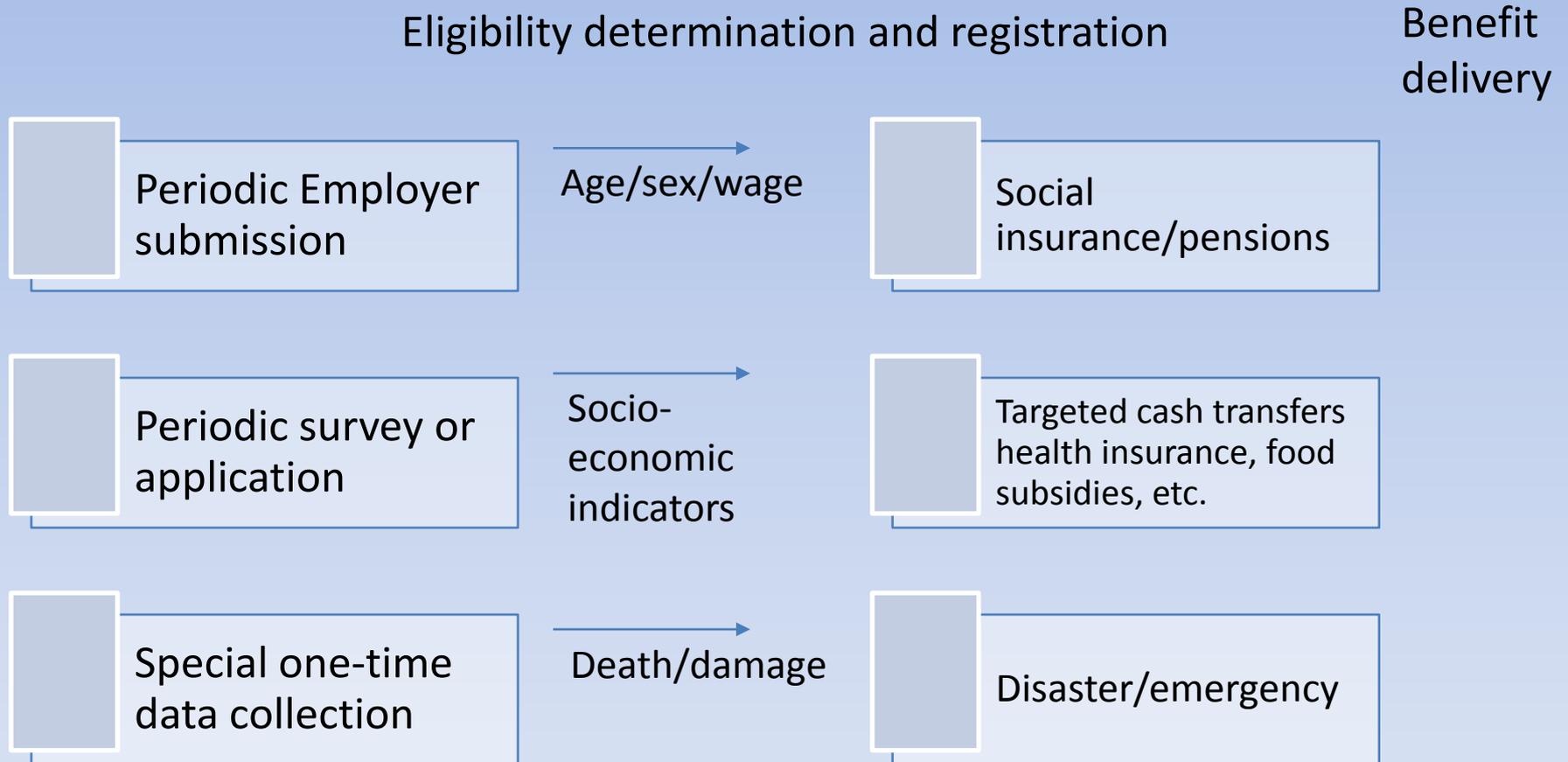
Natural  
disasters



Health insurance  
for the poor



# Without ID, SP processes break down



If ID field is incorrect, missing, or lost, the registry created is useless.

# This happens quite frequently...

- For example, in Mexico, about US\$400 million of unallocated pension contributions sit in a special account due to flawed ID data submitted by employers
- In India, there were many examples like the one on the right, where enumerators filled in the same name for all members of the household – as a result, health insurance enrolment was suspended

The screenshot shows the BPL Census 2002 website for Rajasthan. The page title is "B P L CENSUS - 2002 Government of Rajasthan ver 2.0". The household profile is for "परिवार क्रमांक 6575852 का बी.पी.एल.फार्म".

बी.पी.एल. फार्म सं	6575852	कुल प्रासक	9
जिले का कोड	22	जिले का नाम	टोंक
पं.समिति का कोड	0004	पं.समिति का नाम	टोंक
ग्राम पं का कोड	0136	ग्राम पं का नाम	अरनिया केदार
ग्राम का कोड	02635400	ग्राम का नाम	अरनिया केदार

परिवार के संबंध में जानकारी :-

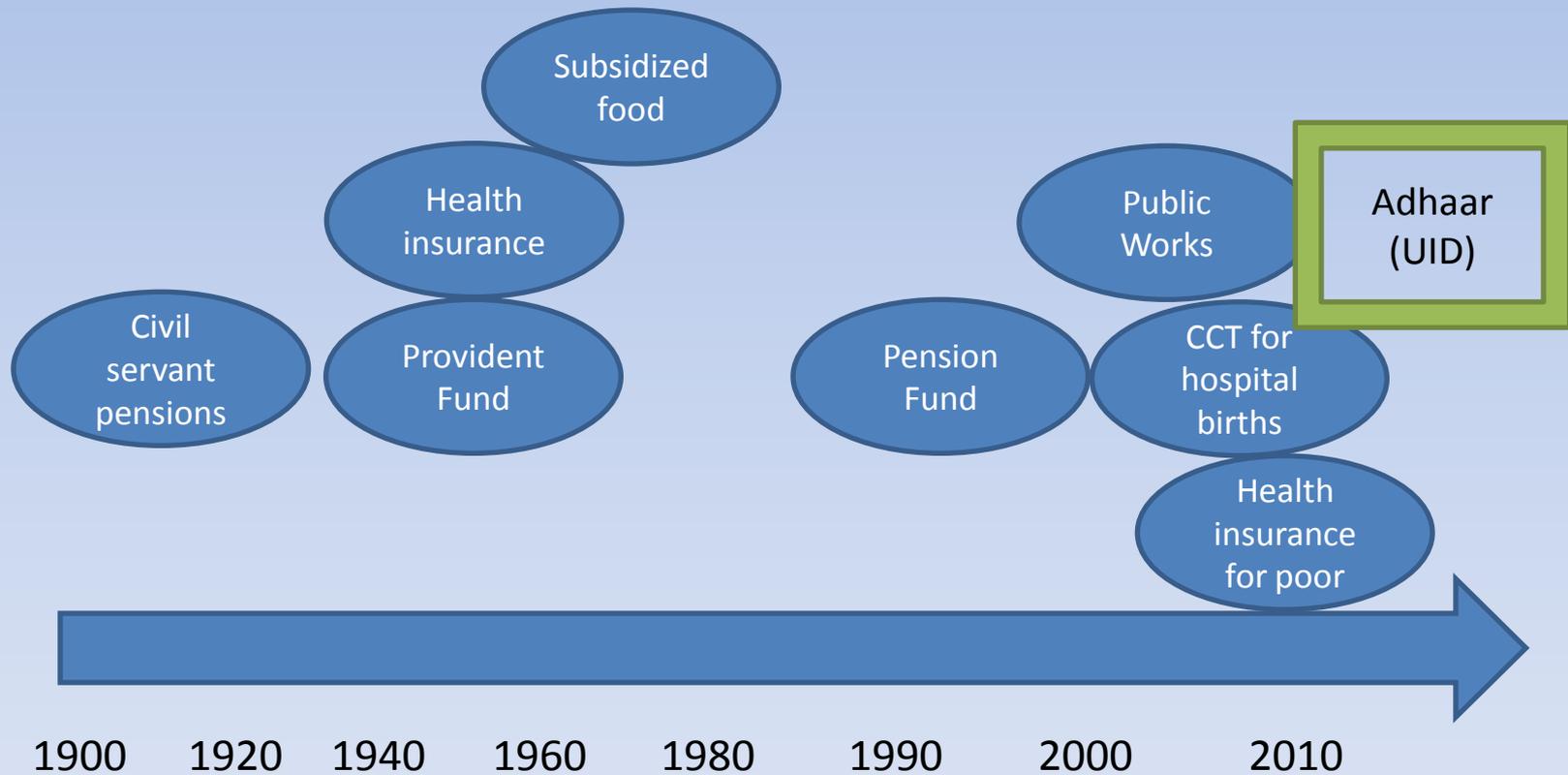
परिवार के मुखिया का नाम	कन्हेया	पिता / पति का नाम	रामनाथ भील	मकान न.	7
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परिवार के कुल सदस्यों की संख्या

सदस्य सं	नाम	लिंग	आयु	संबंध	शैक्षणिक स्तर	Artisan
1	कन्हेया	पुरुष	20	स्वयं	अनपढ़	अन्य
2	कन्हेया	पुरुष	20	साली	अनपढ़	अन्य
3	कन्हेया	पुरुष	20	साली	अनपढ़	अन्य
4	कन्हेया	पुरुष	20	साली	अनपढ़	अन्य
5	कन्हेया	पुरुष	20	साली	अनपढ़	अन्य
6	कन्हेया	पुरुष	20	साली	अनपढ़	अन्य
7	कन्हेया	पुरुष	20	साली	अनपढ़	अन्य

परिवार के आर्थिक स्तर के संबंध में जानकारी :-

# Program IDs in developing countries predate foundational IDs and become 'silos'



# Challenges of 'silo' functional IDs

## 1. Limited ability to ensure uniqueness

- Deduplication without biometrics has larger errors but the cost for individual programs is prohibitive
- It is not a one-off exercise as people move in and out of the program due to changes in their income and labor market status
- As a result, programs don't know how many people they actually cover, duplicates enter the system (e.g., multiple individual pension accounts) with costs to beneficiaries and government

# Authentication: ID-transaction nexus

**Security**

*Least*

*Most*

<p><b>Manual verification</b> Some form of ID is shown to the agent/official and may be manually recorded</p>	<p>No electronic record generated at point of transaction</p>	
<b>Electronic</b>		
<p><b>What you have</b></p>	<p>Card/SIM/voucher read by POS and e-record created</p>	<p>Off-line or on-line</p>
<p><b>What you have and know</b></p>	<p>Card/SIM plus PIN</p>	<p>Off-line or on-line</p>
<p><b>What you have and what you are</b></p>	<p>Card plus biometric verification</p>	<p>Off-line or on-line</p>
<p><b>Combination of above</b></p>		

# Challenges of 'silo' functional IDs

## 2. Limited ability to authenticate

- Many programs cannot authenticate securely and this has contributed to massive fraud
  - Billions of dollars of 'leakages' in the largest SP programs like subsidized food or fuel in India and Indonesia
- This has led programs to invest in e-IDs with more secure authentication but this results in a plethora of cards, lack of interoperability and lots of extra cost
  - A household in Indonesia could receive 17 cards
  - RSBY in India collected biometrics for 130 million people most of whom are being enrolled again biometrically by Adhaar
  - Mexico has spent hundreds of millions on five different program biometric IDs with overlapping populations

# Challenges of 'silo' functional IDs

3. Lack of common identifier limits ability to coordinate across programs in order to:

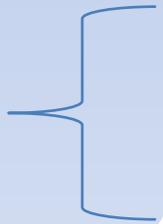
- Improve targeting, e.g., comparing social insurance and social assistance registries
- Monitor social spending – who is receiving benefits from multiple programs? Who is excluded?
- Provide better service to beneficiaries (one-stop shop, common on-line platforms)
- Scale up and expand during natural disasters

# Some policies require identifying the entire population – Universal Health Coverage

Formal Sector  
workers (including  
government)

Incorporate unique ID number in  
social insurance database

Informal sector

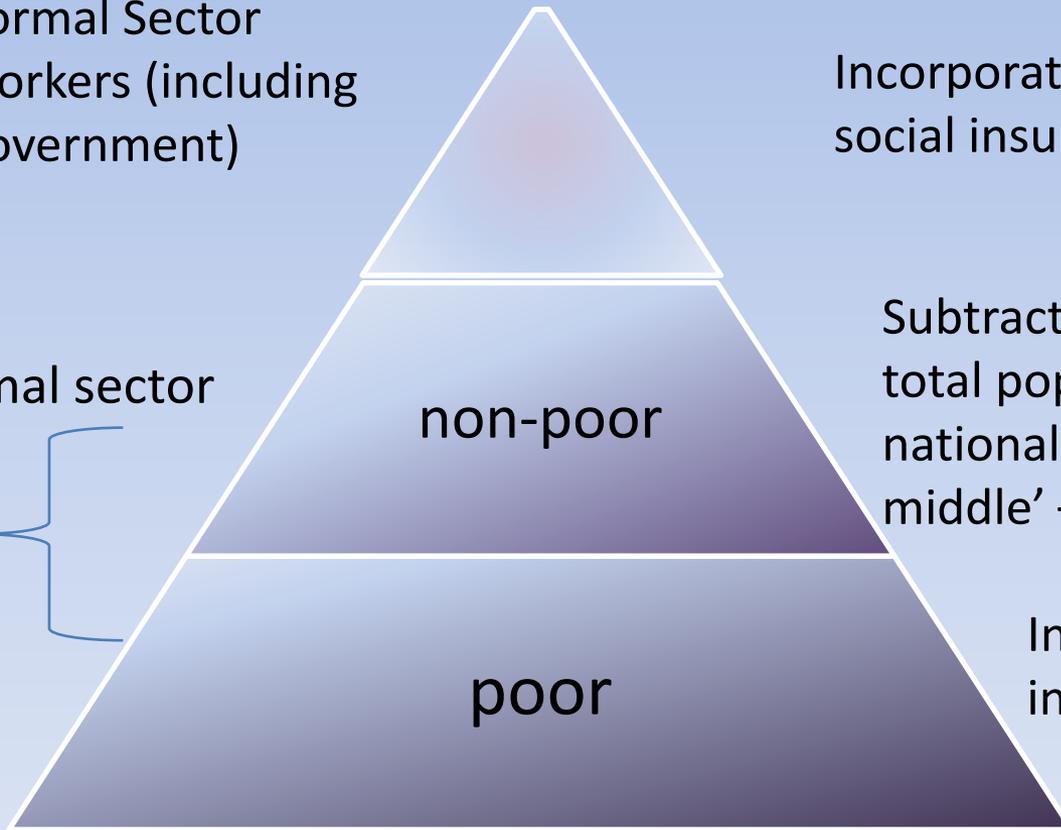


non-poor

Subtract contributors and poor from  
total population of unique IDs in  
national database to find 'missing  
middle' – cross with other databases

poor

Incorporate unique ID number  
in poverty register



# Integration as a 'win-win' proposition

## *Potential benefits*

### Social Protection Programs

- Ensuring uniqueness
- Efficient authentication
- Advantages of linking multiple databases
- Lower overall costs of identification in long run

### Foundational ID systems

- Outreach for coverage of the poor
- Potential for updating based on frequent contacts by programs
- Continuous demand for ID and services
- Revenues

# Three steps towards integration

- First, take stock
  - Identifications Systems Analysis tool now available
- Second, hold consultations between provider of identification services and users
- Third, formulate national identification strategy and seek government and donor support for it

# Conclusions

- Social protection programs need good IDs but have not always been able to rely on foundational IDs
- ‘Silo’ functional IDs suboptimal because:
  - Ensuring uniqueness and providing secure authentication for each program individual very difficult and expensive
  - Inability to link databases reduces effectiveness of programs and increases costs for beneficiary
  - Scaling up in context of natural disasters very difficult
- Social protection and foundational ID systems can have a symbiotic relationship with benefits flowing in both directions

There is a need to formulate a **national identification strategy**

