

Vision
 "To be a global leader in
 promoting good
 corporate governance"

Motto
 सत्यं वद धर्मं चर। *Speak the truth. abide by the law.*

Mission
 "To develop high calibre
 professionals facilitating
 good corporate governance"

Case Study on Draft Social Impact Assessment Standard (SAS) 1300

Promotion of Financial Inclusion

CP LLP, a For-Profit Enterprise, launched a project called E-Diksha with the social intent to provide financial and digital literacy to poor and marginalized populations in three states: Madhya Pradesh, Jharkhand, and Haryana.

Financial inclusion is an intrinsic part of economic and social development. There are various reasons for financial exclusion, such as social barriers, poverty, and lack of education. Financial and digital literacy helps address social and infrastructural constraints for financial inclusion.

CP LLP has covered over 2.5 lakh people in these three states. Workshops were conducted providing information on various financial products and services offered by formal financial institutions, Central and State Government schemes for financial inclusion, digital platforms for online financial services, and operating digital tools. Its main objective is to increase awareness about financial products, educate decision-making ability regarding financial products, provide access to financial products through digital tools, and develop a sustainable financial system.

The organization invested about ₹3.45 crore in the E-Diksha Project.

Section I: Introduction

Objective and Scope

The E-Diksha project is operational in the three states: Madhya Pradesh, Jharkhand, and Haryana. This project received a boost post-demonetization and COVID-19 in India, as there was a significant shift from traditional financial transactions to digital financial transactions. Formal education and mere availability of banking services do not completely educate people on financial literacy. Mostly, people rely on someone else to take their financial decisions and carry out these transactions. The E-Diksha project aims at educating rural as well as urban people about financial and banking services and tools. It also focuses on building trust in formal financial institutions among these people. This project delivered financial and digital literacy sessions to over 2.5 lakh people. The company invested about ₹3.45 crore in this project.

The following components of financial and digital literacy were covered under various sessions conducted:

- Opening and using bank accounts
- Using ATM cards
- Access to various financial products: loans, savings, insurance, etc.
- Net banking and Mobile Banking
- Digital Payment Apps (e.g., BHIM, UPI, Paytm)
- Basic aspects of financial management
- Central and State Government schemes for financial inclusion and digital literacy

Section II: Evaluation of Social Impact

Data Collection

The stakeholders approached for obtaining data include:

- Direct beneficiaries: Participants of the E-Diksha project
- Implementing team of CP LLP
- Resource persons for conducting sessions
- NGOs and financial institutions who partnered with CP LLP for this project
- Financial products and services providers (e.g., Banks, NBFCs)

The data collection tools, including interview schedules and questionnaires, were designed and conducted by a market research company.

Out of the total population, an 8% sample was selected from direct beneficiaries from all three states. Google Forms were prepared to collect data from representatives of the rest of the stakeholders to understand their contribution to the program and indicators of impact.

Desk Review

Secondary data was also collected to gain better insight into the evaluation procedure and impact assessment. These documents cover the organization's policies, values, and activities toward social and economic development:

- Annual Reports
- Baseline study report documented prior to the E-Diksha Project
- Feedback from participants of the E-Diksha Project
- Photographs of Financial and Digital Literacy sessions conducted
- Data on Government Schemes (e.g., Jan Dhan Yojana)
- Data on financial inclusion published by RBI
- Data on National Digital Literacy Mission
- Details of plans and programs held and to be held in the future under the E-Diksha Project
- E-Diksha Project Progress Reports
- Partnership documents and communication between CP LLP and partnering NGOs and financial institutions

Inspection and Personal Interviews

Besides desk review, personal interviews were conducted with participants of the E-Diksha project to understand the social and financial impact. Primary data was also collected through questionnaires from other stakeholders. Representatives from the Consulting Agency also attended a few financial and digital literacy sessions to understand the effectiveness and operations of these sessions, as well as the level of understanding and active participation of attendees.

Evaluation Questions

Evaluation questions were also reviewed by the auditor to assess the responses received from various stakeholders and to understand what has changed.

a. Composition of Participants:

- What is the educational background of participants?
- How many participants were involved in financial transactions prior to the E-Diksha Project?
- Are participants availing any benefits of any schemes for financial inclusion?
- Are participants digitally literate, and what are the digital activities in which participants are actively involved?

b. Quality of E-Diksha Project:

- What are the components of financial and digital literacy covered in the project?
- What is the methodology used in training sessions?
- Are the resource persons conducting sessions helpful and proactive in teaching with innovative methods?
- What is the course material shared with participants?
- What are the digital tools used during the sessions?
- How does the company ensure that participants have effective learning and participate in the formal financial system and use digital tools post-sessions?

c. Impact of E-Diksha Project:

- How many participants are using various financial products after attending sessions?
- How many participants are using net banking, mobile banking, or online payment apps?
- How many participants have availed government schemes related to financial inclusion?
- Is there any shift from non-formal financial institutions to formal financial institutions?
- How did this project affect the business of formal financial institutions?
- How did this project affect the business of non-formal financial sources?
- Is there any shift from cash transactions to digital transactions?

d. Challenges & Feedback:

- What are the challenges faced by participants in using formal financial products and services?
- What are the challenges faced by participants in using digital tools?
- What are the areas of financial and digital literacy that need to be introduced in future sessions?

Key Metrics for Evaluation of Project/Program

The Social Impact Assessor reviewed the project/program documents to frame the evaluation criteria for assessing impact. Key metrics collated from baseline, mid-line (monthly/quarterly), and end-line assessments were analysed to effectively understand and evaluate impact. The following aspects are covered concerning direct beneficiaries:

(a) Composition

- Financial and Social Background of the beneficiaries: Age, Gender, Occupation, Education, Family Income, Sources of Income

(b) Outreach of Project

- Total Number of sessions conducted
- Number of participants
- Age-wise and education-wise distribution of participants
- Number of participants who were already using formal financial and digital tools
- Number of participants shifted from non-formal to formal financial tools

(c) Impact

- Increased use of different types of financial products
- Increased use of digital tools/apps
- Increased confidence in the formal financial system
- Improved participation in government schemes on financial literacy and digital literacy
- Increased awareness on financial management systems
- Increased confidence to use online platforms

(d) Impact on Financial Sector (Inclusion)

- Increase in the number of bank accounts and other financial products
- Decrease in financial transactions with non-formal sources
- Shift from cash to digital transactions
- Shift to formal financial institutions

Assessment of Evaluation Criteria (Illustrative Key Impact Indicators)

The following are the quantitative and qualitative indicators identified by the Social Impact Assessor to capture the social and economic impact of the E-Diksha Project.

(A) Quantitative Criteria

Sr. No.	Evaluation Criteria
1	2.5 lakh people attended financial and digital literacy sessions
2	About 9,500 sessions were conducted in 3 states
3	Number of bank accounts increased by 7%
4	ATM use increased by 10%
5	88% of participants have started saving with banks rather than chit funds or non-formal sources
6	72% of participants have borrowed loans from formal financial sources/banks
7	63% of participants are using mobile banking
8	32% of participants are using net banking
9	78% of participants are using digital apps like Paytm, G Pay, etc.
10	27% of participants have enrolled for Government schemes related to financial inclusion
11	74% of participants are confident to manage their own finances
12	59% of participants are able to use mobile phones more effectively
13	48% of participants are able to manage their financial books effectively

(B) Qualitative Criteria

1. Improvement in habits related to financial transactions
2. Increased savings and investments as a result of changes in saving habits
3. Improved standard of living with increased annual income
4. Increased confidence in taking financial decisions
5. Increased interest in learning advanced financial and digital practices
6. Improved social status with more awareness
7. Increased confidence to use mobile phones, internet, and other digital tools
8. Better ability to deal with financial crises
9. Better communication and trust with banks and other financial institutions
10. Better understanding of financial terms and concepts

Section III: Assessment of Challenges and Limitations

Challenges/Areas for Improvement

The following challenges were faced by stakeholders, identified during primary data collection:

- Difficulty in understanding financial concepts and terms due to lack of education
- Inability to understand digital tools and fear of frauds or errors in digital transactions
- Lack of trust in formal financial institutions and better connections with non-formal financial sources like moneylenders
- Difficulty in using formal financial products due to more documentation and longer processing times
- Staff of formal financial institutions or banks not being supportive and empathetic

Limitations of the Assessment

- Participants not able to communicate their learnings effectively
- Accurate data on non-formal financial sources is limited
- Differentiating the impact created by the E-Diksha project from other Government and Non-Government efforts toward financial inclusion

Source: NISM Series XXIII: Social Impact Assessors Certification Examination workbook
