



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
INDIA SEWA 2025 DIGITAL FINANCIAL INCLUSION OF INFORMAL SECTOR
APPROVED ON MARCH 22, 2019
TO
SELF EMPLOYED WOMEN'S ASSOCIATION (SEWA)

FINANCE, COMPETITIVENESS AND INNOVATION

SOUTH ASIA

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ABBREVIATIONS AND ACRONYMS

SEWA	Self Employed Women's Association
JSDF	Japan Social Development Fund
BC	Business Correspondent



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

BASIC DATA

Product Information

Project ID P167886	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 22-Mar-2019	Current Closing Date 30-Apr-2023

Organizations

Borrower Self Employed Women's Association (SEWA)	Responsible Agency SELF EMPLOYED WOMEN'S ASSOCIATION
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Financing (in USD Million)

SUMMARY

Total Project Cost	0
Total Financing	0
Financing Gap	0

DETAILS

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is fostering increased use of digital financial services by women engaged in



informal activities in the target states.

Summary Status of Financing (US\$, Millions)

TF	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-A9908	29-Apr-2019	15-May-2019	15-May-2019	30-Apr-2023	2.73	2.36	.37

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

- Background:** "SEWA 2025 Digital Financial Inclusion of Informal Sector" (P167886) is a Japan Social Development Fund (JSDF) supported project, implemented by the Self-Employed Women's Association (SEWA), a community-based organization with a presence in 18 Indian states. The Project Development Objective (PDO) is fostering increased use of digital financial services by women engaged in informal activities in six Indian states of Gujarat, Rajasthan, Uttar Pradesh, Bihar, Assam and Meghalaya. The project aims to benefit at least 500,000 women who lack access and capacity to use digital/mobile technologies for financial transactions and need to be financially literate to keep pace with contemporary market requirements, improve their livelihoods, scale up businesses/microenterprises, and increase their incomes. Project beneficiaries are SEWA members (women) from low-income and marginalized households and the excluded communities in the target states. The project also aims to support SEWA to digitize its service delivery to serve their members better and improve efficiency and productivity. The Project became effective on May 15, 2019 and is scheduled to close on April 30, 2023.
- Project status and progress on key fronts:** Since its inception, the project has trained 412,205 women (82% of target) from marginalized households in basic and intermediate digital and financial literacy modules through a cadre of 485 master trainers (161% of target). The project has shown significant success in fostering increased use of digital and financial services. Sample surveys indicate that 64% of trained women report use of digital financial services/products, as against a baseline of 5.4%. The project has also commissioned the development and roll-out of SEWA App – a user friendly "Force multiplier" mobile application for SEWA's 1.8 million members, featuring interactive modules including an e-learning platform, digital survey platform, digital directory of member products/services and push notifications. The project also played an important role during the devastating Covid-19 waves of 2020 and 2021, helping thousands of SEWA members use the knowledge and skills gained under the project to connect to each other through virtual meetings, observe safety by limiting physical visits for payments, and reduce disruptions to livelihoods through use of digital services. The project is lagging on the onboarding of SEWA members as Banking Correspondent (BC) agents, having onboarded only 34 "e-sakhis" against an end-target of 300 BC agents. Project ratings for the achievement of the PDO and Implementation Progress are Moderately



Satisfactory, acknowledging the achievements in majority of the activities while reflecting the underperformance in BC-agent related activities.

- 3. **Rationale for restructuring:** SEWA has requested for a reallocation of undisbursed funds across categories via a letter to the World Bank dated July 1, 2022, proposing an increase of US\$ 126,557 in the "Training" category, an increase of US\$ 36,803 in the Goods category, and a corresponding decrease in the Consultants category in line with less than anticipated expenditure on consultants. The key reason behind the request as articulated by SEWA is the greater demand for digital and financial literacy trainings from its members following the COVID pandemic, because of which SEWA has proposed an upward revision in the training target from 500,000 to 700,000 members. The target number of master trainers has also been revised upwards by SEWA from 300 to 500, which in turn necessitates the procurement of additional digital devices for the master trainers to conduct these trainings.
- 4. **Bank team's assessment:** After a detailed assessment of the request, the task team agrees with the proposed increase in the scope of training activities, since it directly contributes to the PDO. Therefore, the task team: (a) agrees with the proposed reallocation of undisbursed funds across categories as proposed by SEWA; (b) agrees with the proposed increase in target number of master trainers from 300 to 500; (c) partially agrees with the proposed increase in target number of trainees; the task team recommends that the target be revised to 600,000 instead of 700,000 as proposed by SEWA, given the need to focus on other project activities (i.e. BC agents activity) that have been lagging. Furthermore, the task team proposes modifications to two PDO indicators, "Percentage increase in women (in the target group) using digital financial products/services" and "Percentage increase in average number of digital financial transactions (in target group) per month" to reflect the findings from the baseline survey that was conducted after the design of the results framework and better measure the project outputs/outcomes. These changes are described in the next section under the sub-heading "Change in results framework".

II. DESCRIPTION OF PROPOSED CHANGES

1. Grant Reallocations:

- a. Reallocation across categories: It is proposed to increase the allocations in the "Training" and "Goods" categories by US\$ 126,557 and US\$ 36,803 respectively, and proportionately decrease the "Consultants" category. This is to facilitate an expansion of training activities, and procurement of additional devices for additional master trainers that will be onboarded. The revised category-wise allocations will continue to remain within the defined category-wise caps. Changes are summarized in the following table:

Category-wise	Original (US\$)	Modified (US\$)
Consultants	545,990	386,543
Training	1,733,910	1,860,467
Goods	177,940	214,743
Operating Costs	272,160	268,247
TOTAL	2,730,000	2,730,000

- b. Reallocation across components: The corresponding component-wise reallocations are summarized in the following table:

Category-wise	Original	Modified (US\$)
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	(US\$)	
Component 1: Needs assessment and technology mapping	383,880	382,314
Component 2: Strengthening SEWA's delivery system for improving financial and technology awareness	864,742	859,797
Component 3: Catalyzing fintech adoption at the grassroots	1,210,000	1,230,050
Component 4: Project Management and administration, monitoring and evaluation, knowledge dissemination	271,378	257,839
TOTAL	2,730,000	2,730,000

2. **Change in Results Framework:** Changes are proposed to the following indicators:

S.No	Indicator	Proposed change	Rationale
PDO indicator 1	Indicator: Percentage increase in women (in the target group) using digital financial products/services	<ul style="list-style-type: none"> Indicator to be revised to: Percentage of women (in the target group) using digital financial products/services. Baseline value to be set at 5.4%. End-target remains the same. 	<ul style="list-style-type: none"> The baseline survey, conducted in the first year of the project, revealed that the % of women using digital financial products/services in the target group was 5.4%. Given such a low base (which wasn't known at the time of project design), the end target of a 50% increase upon this is very low. A recent SEWA survey indicates that the percentage of women using digital financial products/services among respondents trained under the project is 64% which represents an increase of 1085%. It is therefore proposed to measure the % of women using digital financial products/services in the target group rather than measuring the % increase in the % of women using these products/services. End-target of "50%" remains the same.
PDO Indicator 3	Indicator: Percentage increase in average number of digital financial transactions (in target group) per month	<ul style="list-style-type: none"> Indicator to be dropped 	<ul style="list-style-type: none"> The baseline survey, conducted in the first year of the project, revealed that the average number of digital financial transactions performed by the surveyed group in the preceding month was 0.128 which is very low. An end-target increase of 50% over this very low base still represents a very low volume of monthly digital financial transactions. A recent SEWA survey indicates that the average number of digital financial transactions in the target group (i.e. trained under the project) is now 1.072 which represents an increase of 737% over the baseline value. Furthermore, the indicator is similar to PDO indicator 1 which also measure usage of digital financial services/products among the target group; with the difference being that it measures the volume of usage. Given that this project is aimed at sparking usage of digital financial products among a target population that largely lacks digital and



			<p>financial literacy (i.e. going from "no usage" to "usage"), this indicator (aimed at measuring volume of transactions) does not inform the PDO any more than PDO indicator 1. It is therefore proposed that this indicator be dropped.</p> <ul style="list-style-type: none"> It is proposed that Intermediate Indicator 3 which measures the "Number of women trained in digital financial products/services" be made PDO indicator 3, as it is an important measure of the reach of the project in the target population, and pertinent to the PDO.
Intermediate indicator 1	<p>Indicator: "Number of women trained as master trainers in digital financial products/services" Original end target: 300</p>	<ul style="list-style-type: none"> End target to be revised to 500 	<ul style="list-style-type: none"> As per the expansion of training activities as proposed by SEWA.
Intermediate indicator 3	<p>Indicator: "Number of women trained in digital financial products/services" Original end target: 500,000</p>	<ul style="list-style-type: none"> End target to be revised to 600,000 Indicator to be made PDO indicator 3. 	<ul style="list-style-type: none"> As per the expansion of training activities as proposed by SEWA. It is proposed that this indicator be made a PDO indicator, as it is an important measure of the reach of the project in the target population, and pertinent to the PDO.

- Project development objective and component-wise objectives remain unchanged.
- Grant Closing Date remains unchanged.
- There are no environmental or social issues expected because of the proposed restructuring.

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III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓



Cancellations Proposed		✓
Additional Financing Proposed		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

RESULTS FRAMEWORK

Project Development Objective Indicators

Percentage of women (in the target group) using digital financial products/services. Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	5.40	63.00	50.00	Revised
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Number of digital products/services offered to women (in target group) for the first time Unit of Measure: Number Indicator Type: Custom				



	Baseline	Actual (Current)	End Target	Action
Value	0.00	3.00	5.00	No Change
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Percentage increase in average number of digital financial transactions (in target group) per month Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	58.00	50.00	Marked for Deletion
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Number of women trained in digital financial products/services Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	202114.00	600000.00	New
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	

Intermediate Indicators

Number of women trained as master trainers in digital financial products/services Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	317.00	500.00	Revised
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Number of women engaged as BC agents Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	26.00	300.00	No Change
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Number of women trained in digital financial products/services Unit of Measure: Number				



Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	202114.00	500000.00	Marked for Deletion
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Number of SEWA institutions / centers linked to digital finance marketplaces				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	3.00	5.00	No Change
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Percentage of SEWA members involved in savings / credit activities transacting through digital finance products/services				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	25.00	No Change
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Percentage of cash transactions in three SEWA social enterprises switched to digital payments				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	50.00	25.00	No Change
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	
Percentage of women beneficiaries who report satisfaction with the digitization of service delivery at SEWA				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	75.00	75.00	No Change
Date	15-Feb-2019	08-Oct-2021	15-Mar-2023	



COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Needs assessment and technology mapping	0.38	Revised	Needs assessment and technology mapping	0.38
Strengthening SEWA's Institutional capacity for DFS training and service delivery	0.86	Revised	Strengthening SEWA's Institutional capacity for DFS training and service delivery	0.86
Catalyzing Fintech adoption by informal sector women	1.21	Revised	Catalyzing Fintech adoption by informal sector women	1.23
Project Management and Administration, Monitoring and Evaluation, and Knowledge Management	0.27	Revised	Project Management and Administration, Monitoring and Evaluation, and Knowledge Management	0.26
TOTAL	2.72			2.73

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
TF-A9908-001 Currency: USD				
iLap Category Sequence No: 1	Current Expenditure Category: DISB - CONSULTING services			
545,990.00	292,568.53	386,543.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: DISB - TRAINING WORKSHOP			
1,733,910.00	1,191,779.02	1,860,467.00	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: DISB - GOODS			
177,940.00	165,017.31	214,743.00	100.00	100.00
iLap Category Sequence No: 4	Current Expenditure Category: DISB - OPERATING COSTS			



The World Bank

India SEWA 2025 Digital Financial Inclusion of Informal Sector (P167886)

	272,160.00	212,539.52	268,247.00	100.00	100.00
Total	2,730,000.00	1,861,904.38	2,730,000.00		

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