



Civil Services Day
21ST APRIL, 2022



**Digital Payments and
Good Governance**
through PM SVANidhi Yojana

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COMPOSITION OF THE SESSION

Breakaway Session

Chair

- **Shri Hardeep Singh Puri, Hon'ble Minister of Petroleum & Natural Gas and Housing & Urban Affairs**

Rapporteur

- **Shri Sanjay Kumar, Additional Secretary, Ministry of Housing and Urban Affairs (MoHUA)**

Panellists

- **Shri Manoj Joshi, Secretary, Ministry of Housing and Urban Affairs (MoHUA)**
- **Shri Sanjay Malhotra, Secretary, Department of Financial Services**
- **Shri Ram Sewak Sharma, CEO, National Health Authority**
- **Shri G C Chaturvedi, Chairman, ICICI Bank**
- **Shri Dinesh Kumar Khara, Chairman SBI**

INTRODUCTION

Street vendors represent a very important constituent of the urban informal economy and play a significant role in ensuring availability of the goods and services at affordable rates at the doorstep of the city dwellers. Street vendors make about 14% of the total informal urban economy. They represent a section of society that was most hit by the catastrophe crisis of COVID19. Almost about 80% of the street vendors faced immense financial distress throughout the past two years. All of them are daily wage earners and the pandemic adversely affected their access to resources. The lockdown not only made the street vendors vulnerable but also endangered their livelihood who solely depended on hawking as their source of income. Their daily transactions involve busy markets and hand to hand transactions which completely stopped due to the lockdown. Due to high cost of doing business and vendors not having the access to wholesale markets have significantly added to their misery. The suppliers had to spend more on travel costs due to travel restrictions in place in the city. Along with that, the harsh summers reduced the shelf life of the perishable goods making the vendor's produce close to redundant. These small businesses don't hold the capacity to quickly adapt to changing work environments. In this context PM SVANidhi (Pradhan Mantri Street Vendors Aatma Nirbhar Nidhi) was announced by the government under Ministry of Housing and Urban Affairs.

Key Aspects of the Scheme

The government launched the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme to offer loans to street vendors.¹ It was launched in June 2020 as a Micro-Credit facility to empower street vendors to recover losses incurred because of the COVID-19 pandemic. The main objective of the scheme is to provide an economic boost to the street vendors by offering them working capital loans, so that they start their businesses again and bring it back to normalcy. It has been established under the aegis of the Ministry of Housing and Urban Affairs (MoHUA). The scheme helps to formalize the street vendors with above objectives and will also open up new opportunities to this sector to move up the economic ladder. The importance of this scheme is reflected in the words of Hon'ble Prime Minister Shri Narendra Modi (On 9th September 2020)– *“Svanidhi Yojana, Svanidhi sey svarozgaar, Svarozgaar sey svaalamban, aur svaalamban se svabhiman ki yatra ka aham padhav hai”*-

Key Objectives of the PM SVANidhi Scheme are:

- Facilitating working capital loans up to INR 10,000
- Incentivizing regular repayment of loans by offering an interest subsidy of 7% per annum. This subsidy will be credited back on a quarterly basis.
- Rewarding digital transactions with monthly cash back offers.

The scheme provides Graded Guarantee Cover to lending institutions, on a portfolio basis. The street vendors also stand a chance to avail a loan of ₹20,000 and ₹50,000 in the second and third tranches respectively on timely repayment of the loan. To encourage digital transaction, cash back up to ₹1,200 on digital transactions at ₹100 per month is provided to the street vendors under the scheme. An Integrated IT Platform has been developed to provide end-to-end solution for the paperless loan processing. Small Industries Development Bank of India (SIDBI) has been appointed as the implementation agency for scheme administration.

¹ <https://mohua.gov.in/cms/pm-svanidhi-guidelines.php>

The PM SVANidhi Scheme aims to provide impetus to halted economic activities among street vendors by increasing the degree of formalization among them. Through the scheme the government hopes to ensure social and financial opportunities for them and ensuring upward social and economic mobility.

JOURNEY FROM SVANidhi TO SAMRIDDHI

For socio-economic upliftment of Street Vendors, the Ministry of Housing and Urban Affairs has launched “SVANidhi se Samriddhi” in 125 ULBs. The program will cover PM SVANidhi beneficiaries and their household members in 125 cities, in the first phase, up to the duration of PM SVANidhi scheme i.e. March 2022.

The Program aims to link PM SVANidhi Scheme beneficiaries and their family members to select central Government welfare schemes namely Pradhan Mantri Jeevan Jyoti Bima Yojana, PM Suraksha Bima Yojana, Pradhan Mantri Jan Dhan Yojana registration under Building and other Constructions Workers (Regulation of Employment and Conditions of Service) Act (BOCW), Pradhan Mantri Shram Yogi Maandhan Yojana, National Food Security Act (NFSA) portability benefit – One Nation One Ration Card (ONORC), JananiSuraksha Yojana and Pradhan Mantri Matru Vandana Yojana.

The socio-economic profiling will also help States, if they deem fit, to extend their State-specific welfare schemes & benefits, to the eligible PM SVANidhi beneficiaries and their families.

DIGITAL INFRASTRUCTURE

In order to give further impetus to the digital onboarding and training of beneficiaries, the Ministry of Housing & Urban Affairs (MoHUA) and Ministry of Electronics & Information Technology (MeitY) jointly launched “Main Bhi Digital 3.0” from September 09, 2021 to November 30, 2021, to complement the efforts of LIs (Lending Institutions) in adoption of digital transactions by the PM SVANidhi beneficiaries.

"Main Bhi Digital 3.0" campaign aimed at digital onboarding of Street Vendors (SVs) who have already been provided loans under PM SVANidhi Scheme. To promote digital transactions, instructions have been issued to the LIs to handover a durable QR Code and train the beneficiaries for conducting digital receipt and payment transactions within a week of disbursement.

Through the use of mobile applications, the scheme aims to provide user friendly digital interface for LIs and their field functionaries for sourcing and processing loan applications of street vendors under the Scheme. PM SVANidhi Mobile App is a step towards boosting the use of digital technology and will enable field functionaries of LIs like Banking Correspondents (BCs) and Agents of Non-Banking Financial Companies (NBFCs)/ Micro-Finance Institutions (MFIs), who have proximity with the street vendors, to ensure maximum coverage of the Scheme.

The launch of Mobile App will give impetus to the implementation strategy of the Scheme besides promoting paper-less digital accessing of micro-credit facilities by the Street vendors. The Ministry has also launched the Mobile Application for PMSVANidhi se Samriddhi - Socio- economic profiling of PM SVANidhi beneficiaries and their families to link them to various Central Government Schemes on 04 February 2021.

SUCCESS STORIES

Anantnag, Jammu & Kashmir

Anantnag in Jammu & Kashmir has shown exemplary performance by providing all the street Vendors contact numbers of the dealing person, who was 24x7 available to redress any type of grievance in the best possible way on one-to-one basis. Besides, a system of random calls is in place where calls are made by the Executive Officer to the vendors to check the efficiency of the Grievance Mechanism in place. Along with that Grievance Day is also observed on a monthly basis, in order to redress the grievances on spot.

The above-mentioned Single Window System has been extremely beneficial by not only easing the process of Issuance of LoRs, but also providing the Application Form, complete in all respects, to the Street Vendors for direct submission at their respective bank branch. This practice is carried out with the intention to ease the process of sanction and disbursement of loan and has proved to be exceptionally innovative and fruitful. Moreover, Awareness Programs in the form of Camps and Field Visits were organized in collaboration with different Banks, in order to make the Street Vendors aware about the benefits of the Scheme.

Unnao, Uttar Pradesh

In Gangaghat, IEC activity like News Paper Ad, Flex, Hording, Banner, Loudspeaker announcement, door to door online application form filling and many camps had been organized. A proper system is in place wherein the beneficiaries are reached out through telephonic conversation to inform and educate them. Various activities under the 'Mai bhi Digital hu' are conducted to make the vendors comfortable with the use of digital tools and language. Many camps are organized where the SvaNidhi Mitra communicated with the vendors directly. Through a Rs.1 "Penny Drop" transaction vendors are given a demo to provide an experience of digital transaction.

The vendors of pending LOR are identified by tracing them through "cluster wise" mechanism. Every applicant who reaches out to the ULB was connected through cluster wise camp to resolve their pending LOR application. With this quick mechanism to tackle the issues has given the district and the state a successful imprint of dispute resolution.

Along with that, in Gangaghat NPP, a Grievance Redressal committee is established at every ULB level headed by respective EO with five members. It functions properly with regular meetings and monitoring and evaluations are carried out at regular interval. The grievances of vendors are taken on a "priority basis" at the bank level and grievances related to sanction and disbursement of loan are well taken care of. A proper system of feedback mechanism is also in place where feedback is taken from vendors regarding "Resolution Methods" as a part of good governance steps. By reviewing the progress of the scheme every Friday, the problems arising in coordination with the bank and NPP were resolved immediately.

Varanasi, Uttar Pradesh

In Varanasi, physical and virtual meetings of Street Vendors was conducted to understand their concerns and help them file for loan applications. Varanasi Smart City Portal was formed for registering and issuing LoR and IEC activities are taken up on this portal. A dedicated team of 12 personnel was deployed at Kashi Integrated Command & Control Centre to operate this. Various announcements by Municipal Corporations, 40 PA Systems at crossings, 150 Waste collection vehicles, PA Systems in E-Rickshaws are installed to spread the awareness about the scheme. Along with that, awareness through Self Help Groups (SHGs), Area Level Federation (ALF),

City Level Federation (CLF) and foot level marches are also conducted. The key aspects of the scheme are projected at prominent functions and trade fairs. Virtual interactions by Hon'ble PM and CM helped in the wider reach and impact of the scheme. The Safe Kashi App is also developed for the purpose of maximum reach to the vendors.

Zonal Officers and Computer operators were appointed to expedite LoR Application filing. Ward wise 3 member teams were constituted to verify application forms and approving of LoR. Delay and complaints are handled by the Grievance Redressal mechanisms effectively. A Manual Complaint Register since June 2020 is in place to lodge all Grievances of Vendors, assign them to appropriate Officer and dispose them in Time bound manner. Identification of 100 SVANidhi Mitra is carried out and are deployed bank branch wise for Grievance Redressal. District level Officers and Nagar Nigam Employees are also appointed bank branch wise to solve the problems of Vendors. Every Thursday camps are conducted to lodge all grievances of vendors and dispose them.

Dewas, Madhya Pradesh

Dewas, Madhya Pradesh has ensured that the dissemination of information of the scheme is hassle-free through installation of flex and hoardings, voice recordings in D2D vehicles, promotion through door to door contact and interacting with them on street vendor stalls. Different departmental teams are constructed for better coordination and convergence via vegetable markets, mandis, slum areas, Friday haats to secure last mile connectivity and ensure that no one was left. Training camps were organized to sensitize them with the know-how of technology for cashback and digital transactions. Various training camps are organized for awareness and sensitization to fast track the process of issuance.

Grievance redressal mechanism has been made efficient through the continuous usage of CM Helpline, direct contact along with keeping all the stakeholders involved. Use of information technology tools is carried out to cut down time and make the process hassle-free for all stakeholders. Capacity building programs are regularly conducted. A team is made for conducting survey to attached revenue district and NULM and Pension Department staff is allotted to conduct for ward level survey and organization of special camps.

CONCLUSION

While reviewing the implementation of PM-SVANidhi Scheme, Prime Minister Narendra Modi said that the scheme should not be just seen from the perspective for extending loans to street vendors. It should also be seen as a part of an outreach to the street vendors for their holistic development and economic upliftment.

PM-SVANidhi is an excellent scheme that has been successful in reaching a considerable number of beneficiaries in a short span of time. For a country which has an informal sector with 80% of the workforce, this scheme is and will be extremely useful in rebuilding the disrupted livelihoods of the street vendors. By understanding the various challenges faced on ground and the hurdles faced by the street vendors in availing the benefits, implementation of the scheme can be effectively carried out. Street vendors need sustained handheld measures to be able to live in a sustainable manner especially during tough times. This scheme holds immense potential to not just support the vendors during challenging hours but would initiate a larger process of formalization of the entire sector. Voluntary formalization, rather than a forced one, is the way forward for the Indian economy to take the informal sector along on its path to recovery.

Moreover, Street vendors have provided last mile connectivity, low priced goods to large portions of urban dwellers. In the midst of the pandemic last year, street vendors provided essential goods and services during

the lockdown, sometimes at great danger to themselves. Food vendors form the bulk of street vendors and they provide the same services as restaurants or grocery stores. Therefore, it is imperative that we recognize the oddities under which they have continued to not just sustain their livelihood but also provide essential services to people. Living on the edge of the society, street vendors tend to face the maximum brunt of any economic change that occurs and it is their absolute right to receive full degree of protection and support from the government.

The PM SVANidhi Scheme aims to provide impetus to halted economic activities among street vendors – a specific category of population affected by pandemic restrictions. By increasing the degree of formalization among street vendors, the scheme ensured social and financial opportunities for them – allowing upward social and economic mobility. This particular scheme has been a success story and will be a foundation stone for many such schemes coming in the future that will aim towards helping the informal sector and the population that depends upon it.

