

## Prime Minister SVANidhi Scheme's Impact and Performance

The Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) scheme, launched in June 2020, has been a significant initiative by the Indian government to support urban street vendors during the COVID-19 pandemic. Recently, Madhya Pradesh was recognized as the 'Best Performing State' under this scheme by the Union Housing and Urban Affairs Ministry, highlighting its effective management and implementation. This article delves into the intricacies of the PM SVANidhi scheme, evaluates the performance of various states and urban local bodies (ULBs), and discusses the broader implications of this initiative.



# PM SVANidhi

[Source: The Economic Times]

## Background of PM SVANidhi Scheme

### 1. Purpose and Objectives

The PM SVANidhi scheme was introduced to provide financial assistance to street vendors who faced severe economic hardships due to the COVID-19 lockdowns. The scheme offers collateral-free loans up to ₹50,000, enabling vendors to restart their businesses and stabilize their livelihoods. The primary objectives of the scheme include:

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- a. Facilitating working capital loans to street vendors.
- b. Promoting digital transactions.
- c. Offering incentives for timely repayment.
- d. Enhancing creditworthiness for future borrowing.

### 2. Implementation Strategy

The scheme operates through a structured implementation strategy involving various stakeholders:

- a. Municipal Corporations and ULBs: These bodies are responsible for identifying beneficiaries and facilitating loan disbursement.
- b. Banks and Financial Institutions: Provide the required financial assistance and manage loan accounts.
- c. Digital Payment Platforms: Encourage digital transactions among street vendors to promote financial inclusion.

## Performance Assessment

### State-Level Achievements

#### 1. Madhya Pradesh: Leading the Way

Madhya Pradesh has been awarded the top position for its exemplary performance under the PM SVANidhi scheme. The state's success can be attributed to several factors:

- a. Efficient Identification and Registration: Madhya Pradesh effectively identified and registered street vendors, ensuring that a large number of vendors benefited from the scheme.
- b. Robust Implementation Mechanisms: The state deployed dedicated teams and resources to manage the application and disbursement processes.
- c. Promotion of Digital Transactions: Madhya Pradesh successfully encouraged vendors to adopt digital payment methods, enhancing transparency and ease of business.

#### 2. Assam: Innovation and Best Practices

Assam secured the second position in the 'Best Performing States – Innovation and Best Practices Award' category. The state demonstrated innovative approaches and best practices in implementing the scheme:

- a. Innovative Outreach Programs: Assam conducted extensive awareness campaigns and outreach programs to educate vendors about the scheme.
- b. Community Involvement: The state involved community leaders and local bodies to facilitate the smooth execution of the scheme.

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c. Support Mechanisms: Assam provided additional support mechanisms, such as training programs, to help vendors maximize the benefits of the scheme.

## Performance of Urban Local Bodies (ULBs)



[Source: Business Standard]

### 1. Municipal Corporation of Delhi (MCD)

The Municipal Corporation of Delhi (MCD) was recognized as the best-performing ULB under the PM SVANidhi scheme. Key factors contributing to its success include:

- a. Streamlined Processes: MCD implemented streamlined processes for application and verification, reducing delays and enhancing efficiency.
- b. Extensive Vendor Network: With a large number of street vendors in Delhi, MCD's extensive network ensured widespread reach and impact.

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c. Focus on Digital Inclusion: MCD emphasized digital inclusion, encouraging vendors to adopt digital payment platforms.

### 2. Bruhat Bengaluru Mahanagara Palike (BBMP) and Ahmedabad Municipal Corporation

BBMP and Ahmedabad Municipal Corporation followed closely in performance:

a. Effective Collaboration: Both ULBs collaborated effectively with banks and financial institutions to facilitate loan disbursement.

b. Community Engagement: They engaged with local communities and stakeholders to ensure smooth implementation and support for vendors.

c. Technology Integration: BBMP and Ahmedabad Municipal Corporation integrated technology to streamline processes and enhance service delivery.

## DAY-NULM and SPARK Rankings

### 1. DAY-NULM Achievements

The Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM) also received recognition for its contributions. The mission aims to reduce poverty and vulnerability of urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities.

### 2. SPARK Rankings

#### (i) Kerala: Systematic Progressive Analytical Real Time Ranking (SPARK)

Kerala topped the SPARK rankings, reflecting its systematic and progressive approach:

a. Data-Driven Strategies: Kerala utilized data-driven strategies to monitor and evaluate the performance of various initiatives.

b. Real-Time Analysis: The state implemented real-time analysis and feedback mechanisms to identify areas of improvement and take corrective actions promptly.

#### (ii) Uttar Pradesh and Rajasthan: Significant Contributions

Uttar Pradesh and Rajasthan secured the second and third positions, respectively:

a. Comprehensive Planning: Both states implemented comprehensive planning and execution strategies to achieve significant results.

b. Stakeholder Involvement: They involved multiple stakeholders, including government bodies, financial institutions, and community organizations, to ensure the success of their programs.

# Broader Implications of PM SVANidhi Scheme

## 1. Financial Inclusion and Empowerment

The PM SVANidhi scheme plays a crucial role in promoting financial inclusion and empowerment among street vendors:

- a. Access to Credit: By providing collateral-free loans, the scheme enables vendors to access much-needed credit, which was previously unavailable to them due to their informal status.
- b. Digital Literacy: The scheme promotes digital literacy and encourages the adoption of digital payment methods, thereby integrating street vendors into the formal financial system.

## 2. Economic Recovery and Stability

The scheme has significantly contributed to the economic recovery and stability of street vendors:

- a. Business Revitalization: The financial assistance provided under the scheme helps vendors revive their businesses, replenish stock, and improve their services.
- b. Income Stability: By ensuring a steady flow of capital, the scheme provides income stability to street vendors, reducing their vulnerability to economic shocks.

## 3. Community Development and Social Impact

The PM SVANidhi scheme has broader social implications, contributing to community development:

- a. Enhanced Livelihoods: The scheme improves the livelihoods of street vendors, enabling them to support their families and contribute to the local economy.
- b. Social Inclusion: By formalizing the street vending sector, the scheme promotes social inclusion and recognizes the contributions of street vendors to urban life.

# Challenges and Areas for Improvement

## 1. Awareness and Outreach

Despite the scheme's success, there are challenges related to awareness and outreach:

- a. Limited Awareness: In some regions, limited awareness about the scheme hampers its reach and effectiveness.
- b. Language and Literacy Barriers: Language and literacy barriers pose challenges in educating vendors about the scheme and its benefits.

## 2. Implementation and Monitoring

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Effective implementation and monitoring are crucial for the scheme's success:

- a. **Coordination Among Stakeholders:** Ensuring seamless coordination among various stakeholders, including ULBs, banks, and vendors, is essential for efficient implementation.
- b. **Monitoring Mechanisms:** Robust monitoring mechanisms are required to track progress, identify challenges, and take corrective actions promptly.

### 3. Digital Inclusion

Promoting digital inclusion among street vendors remains a significant challenge:

- a. **Digital Literacy:** Many vendors lack the necessary digital literacy to fully benefit from digital payment platforms and other online services.
- b. **Access to Technology:** Ensuring access to affordable technology and internet services is crucial for enhancing digital inclusion.

## Future Directions and Recommendations

### 1. Enhancing Awareness and Outreach

To improve awareness and outreach, the following steps can be taken:

- a. **Targeted Campaigns:** Conduct targeted awareness campaigns in local languages to educate vendors about the scheme.
- b. **Community Involvement:** Involve community leaders and local organizations to spread awareness and facilitate the application process.

### 2. Implementation and Monitoring

Strengthening implementation and monitoring mechanisms is crucial for the scheme's success:

- a. **Training Programs:** Provide training programs for ULB officials and bank staff to enhance their understanding of the scheme and improve service delivery.
- b. **Real-Time Monitoring:** Implement real-time monitoring systems to track progress, identify challenges, and take corrective actions promptly.

### 3. Promoting Digital Inclusion

To promote digital inclusion, the following measures can be taken:

- a. **Digital Literacy Programs:** Conduct digital literacy programs for street vendors to enhance their understanding and usage of digital payment platforms.



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b. Affordable Technology: Ensure access to affordable technology and internet services to facilitate digital transactions.

The PM SVANidhi scheme has made significant strides in supporting urban street vendors and promoting financial inclusion. The recognition of Madhya Pradesh as the 'Best Performing State' and the achievements of various ULBs and states underscore the scheme's impact. However, addressing challenges related to awareness, implementation, and digital inclusion is crucial for maximizing the scheme's benefits. With continued efforts and targeted interventions, the PM SVANidhi scheme can further enhance the livelihoods of street vendors and contribute to the broader goal of economic recovery and social inclusion.



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