

**MISSION FOR ELIMINATION OF POVERTY IN MUNICIPAL AREAS
MA&UD DEPARTMENT, GOVERNMENT OF TELANGANA**

O/o. the Mission Director
MEPMA, Telangana State

CIRCULAR

Cir.No.195846/MEPMA-SUSV/ACS/1/2020

Dated: 24/06/2020

Sub: MEPMA – DAY-NULM – Support to Urban Street Vendors – PM Street Vendor's
- AtmaNirbhar Nidhi, a Special Micro Credit Facility Scheme to Street Vendors –
Formation of CIGs of Street Vendors and Capacity Building of Stakeholders – Certain
Instructions - Regarding.

Ref: 1.Guidelines on PM Street Vendor's AtmaNirbhar Nidhi

- 2.Lr.No.195846/MEPMA-SUSV/ACS/1/2020 Dt:04.06.2020 of the MD, MEPMA,
Telangana
- 3.D.O.Lr.No.K-12017(30)/2/2020-UPA-II-UD-Part(1) Dt: 17.06.2020 of the Secretary,
MoHUA, GoI
- 4.Memo no. 5365/UBS/2020 Dt: 23.06.2020 of the Principal Secretary to the Govt,
MA&UD Dept., Govt. of Telangana.

The attention of all the Municipal Commissioners in the state is invited to the references cited, and it is to inform that the detailed guidelines on PM Street Vendors AtmaNirbhar Nidhi (PM SVAN), a Special Micro Credit Facility to Street Vendors (SVs) were already communicated vide ref 2nd cited. As indicated in Para 12 of the Guidelines, the Common Interest Groups (CIGs)/ Joint Liability Groups of Street Vendors are to be formed for having better chances of getting loans from lending institutions due to better cohesion and repayment performance.

2. Further, vide ref 3rd & 4th cited, detailed guidelines were issued for formation of CIGs of Street Vendors in all Urban Local Bodies (copy of guidelines enclosed) with the following salient features:

- a. Geographical contiguity of vending shall be the basic criterion i.e. SVs vending in the same ward/ cluster/ vending zone, may form a CIG
- b. SVs involved in selling similar goods/ services may form a CIG
- c. No. of SVs in a each CIG : 5 to 20 (preferably 10)
- d. Members should possess Vending Certificate/ ID card/ Letter of Recommendation issued by ULB
- e. Mixed groups of Male/ Female/ Transgender/ Differently abled persons will be permitted
- f. CIG meetings (preferably every fortnight/ weekly)
- g. Opening of saving bank account in the name of CIG
- h. Group Savings, Internal Lending's, Linkages should be encouraged, etc.,

3. Further, as indicated in para 14 of the guidelines, a comprehensive Capacity Building has to be conducted to all the stakeholders like ULB functionaries, Town Vending Committees, Street Vendors, RPs, SHGs/ SLFs/ TLFs, Bankers and digital payment aggregators regarding the Scheme. A wide publicity has to be provided to create awareness among the street vendors regarding the scheme.

It is therefore requested to take necessary action in the matter.

**DR N
SATYANARAYANA
IAS
MISSION DIRECTOR**

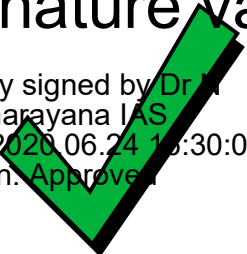
To
The Project Directors, MEPMA, of all Districts in Telangana
The Municipal Commissioners of all Municipalities and Municipal Corporations in Telangana

Copy to all the Addl Collectors / Collectors and District Magistrates in the state for favor of information

Copy submitted to the Principal Secretary to Government, MA & UD department for favor of information

Signature valid

Digitally signed by Dr N
Satyanarayana IAS
Date: 2020.06.24 15:30:05 IST
Reason: Approved



1546384/2020/UPA-I SECTION

दुर्गा शंकर मिश्रा

सचिव

Durga Shanker Mishra

Secretary



भारत सरकार
आवासन और शहरी कार्य मंत्रालय
निर्माण भवन, नई दिल्ली-110011
Government of India
Ministry of Housing and Urban Affairs
Nirman Bhawan, New Delhi-110011

D.O.No. K-12017(30)/2/2020-UPA-II-UD-Part (1)

June 17, 2020

Dear

Principal Secretary,

As you are aware, Ministry of Housing and Urban Affairs has launched PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi), a Special Micro-Credit Facility scheme for providing affordable working capital loan to street vendors to help resume their livelihoods that have been adversely affected due to Covid-19 lockdowns. The Guidelines of PM SVANidhi have already been forwarded to you and are available at the Ministry's website.

2. As indicated in Para 12 of the Guidelines, Joint Liability Groups (JLGs) of street vendors have better chances of getting loans from the Lending Institutions due to better cohesion and repayment performance. It is also mentioned that the Common Interest Groups (CIGs) of street vendors, already formed by certain States, can be converted into JLGs to enhance their chances of securing loan.

3. Further, for the guidance of the ULBs to follow a uniform process for the formation of CIGs of street vendors, Ministry has prepared a detailed guideline to enable ULBs to form and sustain such CIGs (copy attached).

4. I would, therefore, request you to kindly issue necessary directions to the ULBs, to initiate the process of formation of the CIGs of the street vendors in a big way, which can be later be converted as JLGs by the lending institutions to extend credit under PM SVANidhi from July 1st, 2020.

Encl: As Above

Yours Sincerely,

(Durga Shanker Mishra)

Principal Secretary – UD : All States / UTs

Guidelines on
Common Interest Groups of Street Vendors

I. Background

The COVID-19 pandemic and consequent lockdowns have adversely affected the livelihoods of the Street Vendors (SVs). To facilitate working capital requirement for resuming their business, Ministry of Housing and Urban Affairs has launched the PM Street Vendor's AtmaNirbar Nidhi (PM SVANidhi). The scheme facilitates an initial working capital loan up to Rs. 10,000 with an interest subsidy @ 7 percent on regular repayment. In addition, it incentivizes good repayment behaviour and rewards digital transactions.

Lending Institutions (LIs) prefer offering loans to community groups, in which repayments are a joint liability of the members and the peer trust and pressure results in a better repayment performance. Accordingly, ULBs are advised to encourage the street vendors to form Common Interest Groups (CIGs), with a view to facilitate their conversion later. JLGs are formed by the lending institutions for the purpose of lending where the liability of repayment is jointly owned.

II. Rationale

CIGs are formed by members of similar occupations, conducting business in the same cluster/ vending area. The unifying factor is their innate desire to improve livelihoods through collective action by accessing formal credit and quality improvement.

III. Objectives of CIG

Formation of CIGs of urban street vendors is expected to enable them to:

- a. leverage group strength for availing funds either individually or as a group from formal sources at affordable cost for business purposes,
- b. adopt such practices collectively, that would facilitate betterment of the vending value chain, achieve economies of scale and enhanced level of livelihood opportunities for the members,

- c. build leadership skills in members to contribute for collective well-being, and
- d. help members to access social security and welfare schemes of the Government.

IV. Formation of CIGs of Street Vendors (SVs)

- a. Geographical contiguity of vending shall be the basic criterion i.e. SVs, vending in the same ward/ cluster/ vending zone, may form a CIG.
- b. SVs should, preferably, be involved in selling similar goods/ services.
- c. Number of members in a group may range from 5 to 20, preferably 10.
- d. Members should possess a valid Certificate of Vending (CoV)/ Provisional CoV, Identity Card (ID)/ Provisional ID or Letter of Recommendation issued by Urban Local Body (ULB)/ Town Vending Committee (TVC).
- e. Mixed groups of male/ female/ transgender/ differently abled persons will be permitted.

V. Mobilizing and Nurturing of CIGs

- a. ULBs/ TVCs may encourage and facilitate formation of CIGs of SVs by utilising the services of Community Resource Persons (CRPs)/ Resource Organisations (ROs)/ Community Organisers (COs) etc., who should create awareness on PM SVANidhi, provisions of the Street Vendors Act, 2014, group activities, financial literacy, various welfare schemes and entitlements, and handhold on formulation of business plan, etc
- b. The ULBs may decide on federating the CIGs at higher levels, e.g. at the ward and town level, as per their specific context at appropriate stages.

VI. Functions of CIG

1. Group Meetings

- a. CIGs shall hold regular meetings on issues of mutual interest. The periodicity should be decided by the group (preferably every fortnight).
- b. The CIG shall open a savings bank account in the name of group.

2. Leadership

- a. In its first meeting, members should select a leader (President) from among themselves to represent them and a Treasurer.

3. Group-Savings by CIGs

- a. CIG members need to be encouraged to save regularly.
- b. Minimum savings and monthly amount may be fixed in the first CIG meeting. Preferably, a minimum of Rs. 1,000/- per month by the group with a monthly contribution of at least Rs. 100/- by each member should be remitted to group's account before 10th of each month.
- c. The group can sub-lend among its members, as per the terms of lending decided by the group.
- d. Records related to savings, sub-lending and repayment of loan should be maintained by the leader of the group.

4. Group Borrowings

- a. The members of CIGs can avail loans from the LIs, individually or as a group.
- b. In case the loan is applied by the CIG as a group:
 - A. CIG, functioning as one borrowing unit, would require all the members to jointly execute the document(s) and own the debt liability.
 - B. In case, a few members of CIG want to avail loans, they would act as a JLG, as required by the LIs, for the purpose of availing loan and own the liability of repayment jointly.

VII. Maintenance of data on CIGs

- a. Provisions will be made in the NULM MIS for capturing data on CIG formation e.g. Name of CIG, ULB/ location, type of vending, number and basic details of members, details of loan(s) availed, either as full group/ as JLG/ individually etc. within the module for the SUSV component.
