

Support to Urban Street Vendors

(Operational Guidelines)

National Urban Livelihoods
Mission



Government of India
Ministry of Housing & Urban Poverty Alleviation

F. No. K-14014/1/2013-USD
Government of India
Ministry of Housing & Urban Poverty Alleviation
(UPA Division)

Nirman Bhawan, New Delhi

Dated: 13th December 2013

OFFICE MEMORANDUM

SUBJECT: Operational Guidelines for Support to Urban Street Vendors (SUSV) under the National Urban Livelihoods Mission (NULM)

The guidelines for the National Urban Livelihoods Mission (NULM) have been issued vide OM No. K-14011/1/2013-UPA dated 24th September 2013.

2. The operational guidelines for Support to Urban Street Vendors (SUSV) component of NULM are annexed herewith, which will be followed by all the implementing agencies. These guidelines have also been uploaded on the website of the Ministry of Housing and Urban Poverty Alleviation, and may be accessed from: http://mhupa.gov.in/NULM_Mission/NULM_Mission.htm.
3. This issues with the approval of Hon'ble Minister for Housing & Urban Poverty Alleviation, Government of India.



(B. K. Agarwal)
Joint Secretary to the Government of India
Ministry of Housing & Urban Poverty Alleviation



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1. Context of the Component

1.1 Street vendors constitute an important segment at the bottom of the pyramid of the informal economy in cities. Street vending provides a source of self-employment, and acts as a measure of urban poverty alleviation. Street vending also has a prominent place in the urban supply chain, and provides inexpensive and convenient access to goods and services to all segments of the population including the poor. Street vending is therefore an integral part of the economic growth process in urban areas.

1.2 Low levels of education and skills, limited access to formal credit and micro enterprise support constrain street vendors' ability to access emerging market opportunities. On account of being unorganised and self-employed, street vendors and their families often lack in any linkage to social security, welfare and assistance schemes and initiatives of the Government. This makes street vendors and their families vulnerable in difficult times, or when they may require assistance for unforeseen expenses.

1.3 In this context, the National Urban Livelihoods Mission (NULM) seeks to address the concerns of urban street vendors by facilitating access to suitable spaces for vending, institutional credit, improved skills and social security linkages. The Support to Urban Street Vendors Component of NULM sets out the strategy and operational guidelines with regard to this component.

2. Objectives

2.1 The objective of the component is to address the vulnerabilities of the urban street vendors through a multi-pronged approach. This includes:

- (i) Survey of street vendors and issue of Identity Cards
- (ii) Development of city street vending plans
- (iii) Infrastructure development of vending zones in the city
- (iv) Training and Skill Development
- (v) Financial Inclusion
- (vi) Access to credit
- (vii) Linkages to social security schemes



3. Role of State Government, Local Authority and Planning Authority

3.1 The State Government shall have overall responsibility for:

- (i) Providing overall direction.
- (ii) Establishing mechanisms for sanction of project proposals.
- (iii) Establishing mechanisms for monitoring and supervision of implementation.
- (iv) Establishing mechanisms for progress reporting.

3.2 The State Urban Livelihoods Mission (SULM) will be the nodal agency responsible for overall implementation of the component. At the city level, the responsibility for implementation will rest with the Urban Local Body (ULB).

3.3 The implementation would also require coordination between several authorities including Urban Local Bodies, Development Authorities and Town Planning Agencies, Land and Revenue Departments and District Collector offices. This coordination will be ensured by the State Government and the ULB.

3.4 The ULB will consult and coordinate with the planning authority, which could be an Urban Development Authority or any other authority in a city or town responsible for regulating land use in the city. The role of the town planning authority in the implementation of the scheme will include preparation and notification of pro-vending land use plans, and for providing land and development approval for vendors' markets.

3.5 Other agencies such as the Revenue Department, the Police Department and Public Health and Engineering Department (or Water Board) may be required to provide support and assistance to the local authority to facilitate the implementation of the component.

4. Components

Components 1: Survey and Issue of Identity Cards

4.1 Under this sub-component, financial support will be provided to the ULBs for conduct of survey for identification and enlisting of street vendors. The survey should preferably be conducted on a whole city basis. Alternatively, the ULB may also choose to complete the survey in a phased manner, covering one area (ward/ zone/ specified part of city) at a time. In this case, the area identified should be sufficiently large to accommodate mobility of vendors within the area.



4.2 The survey must cover all street vendors in the area being surveyed. ULB will develop methodology for conducting the survey. At a minimum, the survey must include:

- Name
- Name of parents
- Permanent Address
- Present Address
- Identity proof (if any)
- Telephone number (if any)
- Place of vending
- Type of vending activity
- Time/Duration of engagement as a vendor
- Details of family members
- If identified as beneficiary/poor for any of the government schemes like Food Security Act, TPDS, SJSRY, etc. and details thereof

During the survey, the original documents pertaining to present/permanent address proof, especially in the case of migratory population may also be verified so that the Identity Cards issued to the surveyed street vendors can act as sufficient documentation for opening of their bank accounts, getting loans from banks, accessing social security benefits, etc.

4.3 The ULB will issue Identity Cards to all the surveyed/identified street vendors. A data base of all street vendors will be maintained by the ULB. Since the vendors are mobile, the software should be able to track (based on either present/permanent address or any other criteria) whether the vendor has already been covered and issued an Identity Card.

4.4 The State or ULB may engage an agency through an RFP following a transparent process of selection to carry out survey of street vendors. In case the ULB issues the RFP, the shortlisted proposals must be sent to the Sanctioning Committee of SULM for consideration and approval. The ULB may also propose alternative methods of survey, such as through community participation or with the support of NGOs or government or research agencies. Such proposals too will need approval of the Sanctioning Committee of SULM.



Component 2: Preparation of City Street Vending Plan

4.5 Under this sub-component, financial support will be provided to the ULB for preparation of City Street Vending Plan which will contain the following:

- (i) profile of street vending trades and activities;
- (ii) spatial distribution of street vending activities;
- (iii) earmarking of space or area for vending zones;
- (iv) determination of vending zones as restriction- free vending zones, restricted vending zones and no-vending zones;
- (v) estimates of holding capacity of vending zones, which is the maximum number of street vendors who can be accommodated in any vending zone;
- (vi) understanding of key challenges, constraints and issues relating to street vending; and
- (vii) Possible solutions and potential street vending areas.

The Street Vending Plan will also take into account the natural markets where sellers and buyers naturally congregate for the sale and purchase of products and services. The Plan will be developed after consultations with Street Vendor's representatives and other relevant stakeholders.

4.6 While preparing the Street Vending Plan, the ULB, in coordination with the city police, traffic police, planning authority and other local agencies should also devise and promote vendor friendly policies, solutions and strategies to accommodate and facilitate street vending in a manner that is conducive to street vendors and the public at large. This may include policies for traffic management and regulation on market days or at certain times of the day, arrangements for lighting, water, sanitation and waste disposal in street vendor market areas. The ULB may coordinate with planning authorities to develop pro-vending norms and stipulation of vending spaces in new or refurbished roads, markets, office and residential complexes and other public spaces and public infrastructure. This will ensure greater acceptability of Street Vending Plans among the stakeholders.

4.7 The ULB should make every effort to minimise disruption to existing markets while developing the city street vending plan. Accordingly, the plan may be developed in such a manner that no relocation or eviction of street vendors takes place. Re-location of street vendors, if required,



must be based on consultation with the affected vendors.

4.8 Based on the survey findings, the City Street Vending plan may also include a digitised or non-digitised map of vending activities, vending trades and existing markets at ward or zone level.

4.9 For preparing the City Street Vending Plan, the SULM/ULB may engage consultants/ agency hired through a selection process as defined in 4.4 above and the work may be awarded after approval by the Sanctioning Committee of SULM. City Street Vending Plans will be submitted to the SULM for approval, and will be considered final once approved by SULM. SULM will also ensure that these plans are integrated into development plans of the city as per requirement of the law and procedures.

Component 3: Infrastructure Improvement

4.10 Under this sub-component, financial support will be provided to the ULBs for improvement of infrastructure and provision of basic services in the existing markets of street vendors. The ULBs will prepare a Detailed Implementation Plan (DIP) for such infrastructure improvement projects which may include improved civic facilities such as paving, water supply, toilets, waste disposal facility, lighting, common storage space, specialized carts for specific types of trades, temporary sheds and/or parking facilities. The infrastructure requirements for vendors markets will be assessed based on consultations with street vendors and their associations, local agencies and other stakeholders and will be facilitated by the ULB.

4.11 The DIP for infrastructure improvement must be prepared only after the street vendor survey for the area where the project is located, has been completed. In exceptional cases where the survey is not initiated and the ULB feels that there is an immediate need for a project, which will benefit a large number of street vendors, then the survey for that area along with its cost may be included in the DIP. The ULB must ensure that prior to commencing work on the project, the street vendors who will benefit, have been issued the Identity Card as well as the Street Vending Certificate as per the prevailing policy, Act or guidelines of the state. The list of beneficiaries of the project should be placed in the public domain and displayed on the notice board of the ULB and posted on the website of the ULB/State before taking up the project.

4.12 While preparing the DIP, provision for providing specialized carts to the street vendors for specific types of trades such as food vending etc. may be included with a view to improve the hygiene and optimal utilization of space. These carts may be funded through individual loans covered under the SEP component of NULM.



4.13 DIPs should contain:

- (i) Project rationale, details of beneficiaries and stakeholders, how it will contribute to improved street vending in the surrounding area, and how it fits within the overall City Street Vending Plan
- (ii) Land ownership details
- (iii) Relocation plan, if any must be supported by a letter of consent from the affected street vendors and/or their association
- (iv) Specific infrastructure improvement project details with costs, including operations and maintenance plan
- (v) Detailed and complete list of beneficiaries who will benefit from the project – in case the survey is not complete and will be conducted as part of the DIP, the list of beneficiaries will have to be provided upon completion of the survey and prior to commencement of infrastructure improvement. SULM may release the second installment of funds for the project, contingent on the list of beneficiaries.
- (vi) Safety concerns, if any, relating to fire hazard or other hazards.

4.14 The ULB may also develop DIP for creation of “food streets”, “farmers markets”, “night market” and other such specialised/theme based markets subject to the provisions stipulated above. In markets where food will be prepared in the market, the ULB should take into account issues of food safety and fire hazard in addition to other elements of infrastructure improvement that will be required.

4.15 For preparation of DIPs, the ULB may hire consultants using a process similar to 4.4 above. DIPs must be submitted to the Sanctioning Committee of SULM for approval.

Component 4: Training and Skill Development

4.16 The ULB will conduct one to two days training programmes for all street vendors taking one area at a time. The aim of this program will be to orient the street vendors on aspects such as their rights and responsibilities, specific policies or laws related to street vendors, food safety, maintenance of hygiene, waste disposal, etc.

4.17 Modules for training, IEC material and workshops may be developed/organised by the SULM/ULB in partnership with any resource agency identified by them. Delivery of training may be outsourced to a training institute, a specialized agency such as Food Safety and Standards



Authority of India or a reputed NGO.

4.18 Street vendors who undergo a training programme/workshop will be paid a daily amount as stipend for number of days attended, and calculated based upon opportunity cost of livelihood. This daily stipend should not be less than the minimum wage applicable in the State for urban areas. The training cost should also include trainer fee, food, and travel cost, subject to a maximum of Rs. 750 per person per day. Cost of conducting such specialised training programmes for the street vendors will be met from the Employment through Skill Training and Placement (EST&P) component of NULM.

4.19 Reports of training conducted and feedback from participants of the training programme will be submitted by the ULB on a monthly basis.

Component 5: Financial Inclusion

4.20 Street vendors are often unable to access organised banking services as they lack identity documents, proof of address, tenure or legal rights over their place or business and evidence of their trades and professions. It is envisaged that the Identity Cards issued to street vendors under this scheme will help promote access to banking services. SULM and ULBs will liaise with banks and other financial institutions to facilitate access to banking and financial services based on documents issued to street vendors by the ULBs.

4.21 The SULM at state level will include financial inclusion of urban street vendors as a separate agenda in State Level Bankers Committee (SLBC) and District Consultative Committee (DCC) meetings. The aim of inclusion will be to ensure that all street vendors have bank accounts and are included in financial literacy programmes organized by the banks.

4.22 **Financial Literacy:** The ULB will organise sessions on financial literacy for identified street vendors with support of resource organisation and field staff. In these sessions the street vendors will be made aware about the savings, credit, insurance etc., along with the modalities and operational requirements for accessing the same. The banks and Financial Institutions may be encouraged to communicate with the street vendors through City Livelihoods Centre (CLC), camps etc. The ULB will do the necessary coordination with the Lead District Manager (LDM) of the Lead Bank and Financial Literacy & Credit Counseling Centers (FLCCs) of the banks to organise financial literacy sessions and camps.



4.23 Opening of Basic Savings Bank Deposit Account: This includes opening of Basic Savings Bank Deposit Accounts for all the identified street vendors. The SULM in discussion and coordination with respective SLBC convenor bank, ULB, DCC and LDM will ensure the following:

- Provide the Lead District Manager of the Lead Bank and DCC with the list of identified street vendors to be covered at city level
- Operational formalities such as availability of forms at all the branches/ extension counter of the banks, CLCs, & ULB office.
- Organise camps within the respective jurisdiction of banks for opening of accounts with support of ULB field staff and Resource Organisation.
- Engagement of Business Correspondents (BC)/Business Facilitators by banks as per the requirement of the city for better outreach.

Component 6: Access to Credit

Access to credit to fulfil the working capital requirement of the street vendors includes facilitating access to loans to the street vendors from banks. It will also focus on facilitating access to credit cards to identified individual street vendors to meet their working capital requirements.

4.24 Access to Credit: The Self Employment Programme–Individual Enterprises (SEP-I) component of NULM provides financial assistance to urban poor in the form of interest subsidy on bank loans for setting up individual enterprises. In accordance with SEP guidelines, loans can be made available to the identified urban poor street vendors at 7% rate of interest. The modalities and procedure for availing loans for poor street vendors will be similar as detailed out in SEP-I component.

4.25 It is envisaged that other street vendors interested in availing loans for their enterprise, will be facilitated for loan linkages with banks by the ULB. The ULB will identify such street vendors and will thereafter take their intent for loan requirement and route their application for further processing by banks.

4.26 Credit Card for Urban Street Vendors: The ULB will also facilitate access to credit cards for eligible urban street vendors to meet their working capital and miscellaneous credit needs. The ULB will identify the prospective street vendors and will facilitate linkages with banks for issuance of credit cards. The focus is to initially facilitate issuance of existing credit cards of banks such as



General Credit Card (GCC) or any other variant of credit card for micro enterprise development to the urban street vendors.

4.27 The Ministry of HUPA will also explore the possibility of devising an exclusive Credit Card Scheme for Urban Street Vendors in consultation with Department of Financial Services, Reserve Bank of India and other banks.

Component 7: Linkage with Social Security Schemes

4.28 In order to bring the street vendors within the ambit of social insurance and to provide coverage from risks/ uncertainties, ULBs will facilitate enrolment of street vendors in insurance schemes of Government of India such as Rashtriya Swasthya Bima Yojana (RSBY) for health insurance, Aam Aadmi Bima Yojna (erstwhile Janashree Bima Yojna) for Life Insurance or any state specific insurance schemes. However, the enrolment in any insurance scheme by ULB should be as per the free will of the street vendors.

4.29 The ULB will also promote awareness and facilitate enrolment of street vendors in other social security, welfare and social assistance schemes of state and central government.

5. Sanctioning Committee at the State Urban Livelihoods Mission

There would be a Sanctioning Committee under the chairmanship of Principal Secretary/Secretary in-charge of NULM at the State level with representatives of other concerned departments in the State for consideration and approval of proposals submitted by ULBs/SULM under this component of NULM. A representative of the Ministry of HUPA shall be a member of this Sanctioning Committee.

6. Monitoring and Evaluation

6.1 The SMMU at the State level and CMMU at the ULB level will closely monitor progress of activities / targets under this component, undertake reporting and evaluation. The SULM and the ULB/executing agencies shall report timely progress in formats prescribed by the Mission Directorate from time-to-time, indicating the cumulative achievement monthly and up to the end of the quarter and key issues in implementation.

6.2 In addition, under NULM, a comprehensive and robust IT-enabled NULM MIS will be established for tracking targets and achievements. States and ULBs will be required to submit their progress reports online and may also use this tool to monitor progress on the ground. In the spirit



of proactive disclosure of information and ensuring transparency under NULM, key progress reports under SUSV will also be made available in the public domain in a timely manner.

7. **Funding Pattern**

Up to 5% of the total NULM allocation of the State can be spent on implementation of this component of NULM (excluding any cost incurred on training and access to credit which will be met from EST&P and SEP components respectively). Funding pattern of Central and State share will be in the ratio of 75:25. In case of north eastern states (Arunachal Pradesh, Assam, Manipur, Meghalaya, Tripura, Mizoram, Nagaland, Sikkim) and special category states (Jammu and Kashmir, Himachal Pradesh and Uttarakhand) this will be in the ratio of 90:10.



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