AIF AMERICAN INDIA FOUNDATION

IMPACT BRIEF

ENTRE-PRERANA

Entre-Prerana, an intervention at the confluence of digital and financial inclusion, aims at reviving the livelihoods of 1 million street vendors and other micro-entrepreneurs across India. Entre-Prerana mainstreams their business through formal registration, access to low-cost working capital through banks, transition to digital payments to build a robust credit history and linkages to new markets through e-commerce platforms.

THE CONTEXT

The COVID-19 pandemic exacerbated the livelihood struggles of millions of street vendors in India. Operating at a small capital base, they faced the dual brunt of the pandemic-induced high healthcare expenses and loss of income due to lockdowns, which exhausted their savings and pushed them towards debt and poverty. To ensure a quick recovery from this setback, the government launched the PM SVANidhi scheme, to provide credit for working capital of upto INR 10,000 to street vendors to resume their business. Still, they faced several challenges due to a lack of vending registrations or licenses; no bank accounts; limited knowledge and inadequate support to process the loan applications, etc.

To support these street vendors coping with the crisis, AIF devised a systemic solution- 'Project Entre-Prerana,' focused on financial inclusion by building their capacities and strengthening the policy, regulatory, financial, and governance ecosystem to ensure their holistic development and economic upliftment. The project emphasized on the multi-pronged strategy of working at individual and ecosystem level, driving the impact by collaborating with multiple stakeholders such as donors, financial institutions, governments, urban local bodies, street vendor associations, etc. to maximize the benefits to the beneficiaries.

IMPACT

83% vendors reported increase in their income

91% recalled AIF's support in introduction to the scheme and its benefits

86% female vendors reported using loan for adding diverse selling products

74% female vendors reported having already repaid the loan successfully*

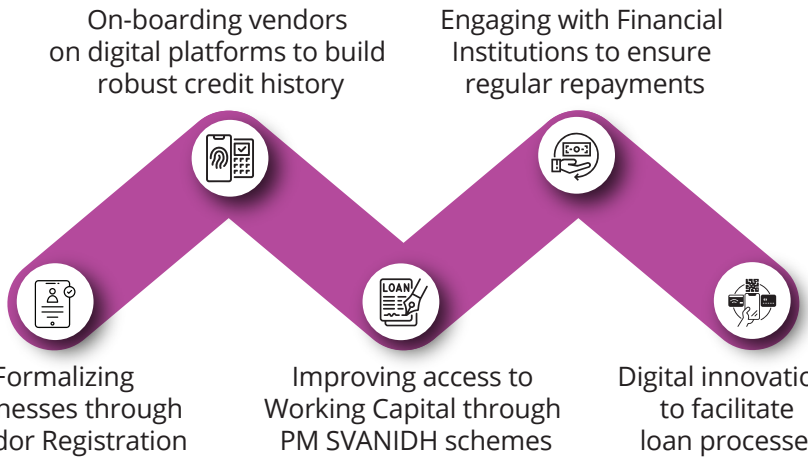
** Survey included vendors at different stages of loan repayment, remaining vendors reported regular repayments in progress.*

Entre-Prerana's alignment with the SDGs

PILOT PHASE

A pilot phase of the Entre-Prerana project (December 2020 to June 2021) was implemented in Lucknow, UP in which AIF and its partner reached around 6,500 vendors through various project interventions.

This brief outlines the key findings from the evaluation study conducted at the end of pilot phase to assess the impact of model and generate evidence on the program outcomes.



https://news.trust.org/item/20200921083938-ss1ox, accessed on 1 March 2022
Background on Street Vendors as per the PM SVANidhi Scheme. https://pmsvanidhi.mohua.gov.in/Home/Schemes, accessed on 1 March, 2022

EVIDENCE

A post-intervention, mixed-method impact study was conducted among a sample of 507 Project beneficiaries. Its aim was to assess the social value returns of the interventions, among these street vendors, especially during the pandemic; and assimilate the key learning from the project results that could be used to inform the scale-up.

Street vendors reported a significant impact of the program support in securing formal registration, accessing PM- SWANIDHI loans, and building robust credit history through digital payments, which led to better working conditions, increased income and improved quality of life.

INCOME ENHANCEMENT

- **83**% vendors who received loans from AIF's assistance reported varied increase in their income levels in the past **12-18 months.**
- Around of **13**% vendors reported a **50% increase in their monthly income, with 3% vendors** reporting a **2X income enhancement** over a 12-18 month period

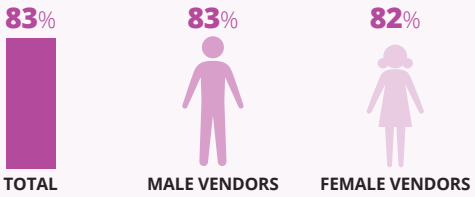


Figure 1: Percent of respondents whose income increased post accessing the PM SVANidhi loan

IMPACT STORY

Shabnam
Mobile vegetable seller, Lucknow

"During the first phase of COVID, there was no work and I desperately needed the money. In the market, my fellow vendors were talking about an INR 10,000 loan, which the AIF team explained was being given to street vendors, under the PM SVANidhi scheme. I am illiterate and needed AIF's help to apply for the said loan. It turned out to be a fairly easy process and I promptly received the loan within 10 days of applying, at a low rate of interest without facing any barriers."

FACILITATING REGISTRATION AND LENDING PROCESS

- **91% of the respondents** recalled that the AIF's team introduced them to the scheme, explained its benefits, bridged the communication gap, and solved grievances timely.
- **59% of vendors** reported AIF critical support in completing their registration process to legitimize their businesses
- **81% of the respondents** consider AIF's role in loan facilitation important. 62% of the female and 51% of the male respondents believed they could not have accessed the loan without AIF support.

ENABLING DIGITAL PAYMENTS

A quarter of respondents reported successful transition to online payments through AIF support

REACHING THE MOST VULNERABLE: WOMEN AND MOBILE STREET VENDORS

- **83% of the mobile and 82% of the female vendors** reported increase in their income in the past 12-18 months.
- **74% of the female vendors and 71% of the mobile vendors** have reported having already repaid the loan successfully.

CONCLUSION

The evidence from the study showed promising results on the program model and significant demand in the community. The project's success with women and mobile vendors, who face differential challenges in accessing these schemes, reiterated the need for focused attention to these vulnerable groups. Project's continuous engagement with local stakeholders ensures long-term sustainability of these efforts. Owing to the success of the pilot, AIF has integrated these learnings while scaling up the Entre-Prerana project to 8 states and UTs of India.

Notes:

Suniani, D. J., Patra, S. K., Sethy, B., Behera, B., & Mishra, J. (2022). IMPACT OF COVID-19 ON PERSONAL DEBT OF STREET VENDORS IN ROURKELA CITY: A LOGISTIC REGRESSION APPROACH. EPRA International Journal of Multidisciplinary Research (IJMR), 8(2), 105-108.

Chowdhary, R. (2021). Pm svanidhi scheme for street vendors in India: goals and challenges. The Social ION, 10(1), 83-97.

Maniktala, N., & Jain, T. (2020). State of Street Vendors in India: Pre and Post COVID-19 Analysis. International Journal, 1(2).

Chakraborty, S., & Ahuja, G. (2021). Emerging from the Lockdown: Insights from Women Street Vendors' Lives in Delhi. Available at SSRN 3958289

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