

# Empowering the Vulnerable in a Pandemic



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Government Of India



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# Ensuring Social Welfare in a Crisis

On June 30, Indian Prime Minister announced an extension of the **Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)** welfare programme till the **end of November 2020**.

- PMGKAY is one of the world's largest food security projects.
- It aims to **ensure nutrition for the most vulnerable** sections of the society - a key priority of the Government.
- The extension is expected to **cost ~Rs.900 billion (>US\$12 billion)**, with a total bill of Rs.1.5 trillion (US\$20 billion).
- Some of key recent welfare initiatives undertaken by the Government of India are covered in this presentation



**The extension of PMGKAY follows a Rs.21-trillion (US\$281.4 billion) stimulus package announced by the Government of India in May 2020**

# Pradhan Mantri Garib Kalyan Yojana



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As India went into a COVID-19 lockdown in March 2020, the Government of India reinforced the Pradhan Mantri Garib Kalyan Yojana (PMGKY) with a package worth **Rs.1.8 trillion (US\$24.1 billion)** for the poor. Over April, May and June 2020 -

- **Rs.310 billion (US\$4.2 billion)** has been transferred in the Jan Dhan accounts of 200 million poor families
- **Rs.180 billion (US\$2.4 billion)** has been transferred to the bank accounts of more than 90 million farmers
- **Rs.500 billion (US\$6.7 billion)** spent on PM Garib Kalyan Rojgar Abhiyaan that is creating job opportunities
- Increase in MNREGA wage to Rs.202/day from Rs.182 to benefit 136.2 million families
- Free gas cylinders provided to around 80 million poor families under the PMGKY initiative
- Ex-gratia of **Rs.1,000 given to 30 million poor senior citizens, widows, and specially-abled**
- 24% of monthly wages credited to PF of wage-earners >Rs.15,000/m in small businesses
- Limit of collateral-free lending raised from Rs.1 million (US\$13,385) to Rs.2 million for Women SHGs

## Extension of PMGKAY

- Provision of free ration for 5 more months
- 5 kg rice/wheat to each member of family
- 1 kg pulses to each family, every month
- More than 800 million people to benefit
- Extension period to cover festive season
- A leading food security scheme, globally
- Over US\$12 billion for PMGKAY extension
- Total spend of US\$20 billion for 8 months

US\$1 = INR 74.69

[Morningstar For Currency](#) And [Coinbase For Cryptocurrency](#)

# COVID-19 Support for the Rural Economy



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## Direct Support to Farmers & Rural Economy post COVID

- 30 million farmers with loans of **Rs.4.2 trillion (US\$56.3 billion)** availed the benefit of 3 months loan moratorium
- Interest Subvention and Prompt Repayment Incentive on crop loans extended to May 31, 2020
- **2.5 million** new Kisan Credit Cards sanctioned with a loan limit of Rs.250 billion (US\$3.3 billion)

## Liquidity Support to Farmers & Rural Economy Provided post-COVID

- **6.3 million** loans worth Rs.866 billion (US\$11.6 billion) approved in Agriculture over March and April
- **Rs.295-billion (US\$4 billion)** refinancing by NABARD to Co-op Banks, Regional Rural Banks in March 2020
- **Rs.42 billion (US\$562.5 million)** support under Rural Infrastructure Development Fund to States during March 2020
- Working capital limit of **Rs.67 billion (US\$897.5 million)** sanctioned for procurement of agriculture produce to State Government entities since March 2020

## Support for Migrants and Farmers

- Free food grain supply to migrants for two months at an investment of **Rs.35 billion (US\$468.8 million)**
- PDS (Ration) from any fair price shop in India by March 2021 with One Nation One Ration Card
- Affordable Rental Housing Complexes (ARHC) for migrant workers/urban poor
- **Rs.15 billion (US\$200 million)** Interest Subvention for MUDRA-Shishu Loans
- **Rs.50 billion (US\$670 million)** Special Credit Facility for Street Vendors
- **Rs.700-billion (US\$9.4 billion)** boost to the housing sector and middle-income group through extension of CLSS
- **Rs.60 billion (US\$803.6 million)** employment push using CAMPA funds
- **Rs.300 billion (US\$4 billion)** Additional Emergency Working Capital Funding for farmers through NABARD
- **Rs.2 trillion (US\$26.8 billion)** Concessional credit boost to 25 million farmers through Kisan Credit Cards

# COVID-19 Support for the Agriculture Sector



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## Additional measures taken to support the agriculture sector during last 2 months are below

- During lockdown Minimum Support Price (MSP) purchases worth over **Rs.743 billion (US\$10 billion)** recorded
  - PM KISAN fund Transfer of **Rs.187 billion (US\$2.5 billion)**
  - PM Fasal Bima Yojana claim payment of Rs.64 billion (US\$857.4 million)
  - During Lockdown, demand for milk reduced by 20-25%.
  - **56 million litre per day** (LLPD) of milk procured by cooperatives against daily sale of 360 LLPD
  - Total 1.1 billion litres of milk extra procured ensuring payment of **Rs.41 billion (US\$550 million)**
  - A new scheme to provide interest subvention at 2% per annum to dairy cooperatives for 20-21
  - Additional 2% p.a interest subvention on prompt payment/interest servicing
- This scheme will unlock **Rs.50 billion (US\$670 million)** additional liquidity, benefitting 20 million farmers
  - All 4 COVID related announcements for fisheries implemented
    - Validity of Sanitary Import Permits (SIPs) for import of Shrimp Broodstock extended by 3 months
    - Condoned delay up to 1 month in arrival of Brood stock consignments
    - Allowed rebooking of Quarantine cubicles for cancelled consignments with no additional charges
    - Verification of documents and grant of NOC for Quarantine relaxed from 7 days to 3 days
  - Registration of 242 Registered Shrimp hatcheries and Nauplii Rearing Hatcheries expiring on March 31 **extended for 3 months**
  - Operations of Marine Capture Fisheries and Aquaculture relaxed to cover Inland Fisheries

# COVID-19 Support for the Agriculture Sector

**Rs.1 trillion (US\$3.4 billion)** Agri Infrastructure Fund for farm-gate infrastructure for farmers

National Animal Disease Control Programme for Foot and Mouth Disease (FMD) and Brucellosis launched with total outlay of **Rs.133.4 billion (US\$1.8 billion)**

Farming Produce Trade and Commerce Ordinance, 2020 to provide trade/marketing choices to farmers

Beekeeping initiatives with **Rs.5 billion (US\$66.9 million)**

**Rs.100 billion (US\$1.3 billion)** scheme for Formalisation of Micro Food Enterprises (MFE)

Animal Husbandry Infrastructure Development Fund - **Rs.150 billion (US\$2 billion)**

Operation Greens will be extended from Tomatoes, Onion and Potatoes (TOP) to ALL fruits and vegetables (TOTAL) for **Rs.5 billion (US\$67 million)**

Agriculture Produce Price and Quality Assurance to be implemented

**Rs.200 billion (US\$2.7 billion)** for Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY)

Promotion of Herbal Cultivation with **Rs.40 billion (US\$535.4 million)**

Amendments to Essential Commodities Act to enable better price realisation for farmers

# Support for Wage Workers and Urban Poor



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- The Central Government has allowed States to use State Disaster Response Fund to provide shelters, essentials to migrants
- The Central Government has released **Rs.110 billion (US\$1.5 billion)** of its contribution in advance to all States on 3rd April, to augment funds in their SDRF
- 3 meals/day provided for the residents of Shelters for Urban Homeless (SUH) during the lockdown w.e.f March 28, 2020
- **12,000 SHGs** produced 30 million masks and 120,000 litres of sanitizers. This gave additional job opportunities to the urban poor
- Disbursal of Revolving Fund (RF) to SHGs being rolled out across all the States from May 2020 with the PAiSA Portal.
- **7,200 new Self Help Groups** of urban poor formed during the period starting March 15, 2020

## MGNREGS Support to Returning Migrants

- **146.2 million** person-days of work generated until May 13, 2020
- Actual Expenditure to date is around Rs.100 billion (US\$1.3 billion)
- Work offered to **23.3 million** wage seekers in 187,000 Gram Panchayats
- 40-50% more persons enrolled, compared to May last year
- Average wage rate rose to Rs.202 from Rs.182 in the last financial year
- Drive undertaken to enroll returning migrants
- States/UTs providing works to migrant workers as per the provisions of the Act
- MNREGA works in Monsoon: plantations, horticulture, livestock, etc.

# Support for Grassroots Enterprises (MSMEs)



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- **Rs.3 trillion (US\$40.2 billion)** Collateral free Automatic Loans for Business, including micro, small and medium enterprises (MSMEs)
- **Rs.200 billion (US\$2.7 billion)** Subordinate Debt for MSMEs
- Rs.500 billion (US\$6.7 billion) equity infusion through MSME Fund of Funds
- **Rs.25 billion (US\$334.6 million)** EPF support for Businesses and Workers for 3 more months
- EPF contribution reduced for Business & Workers for 3 months - **Rs.67.5 billion (US\$903.7 million)**
- **Rs.300 billion (US\$4 billion)** Liquidity Facility for NBFC/HCs/MFIs
- **Rs.450 billion (US\$6 billion)** Partial Credit Guarantee Scheme 2.0 for NBFC

## A reboot of India's MSME industry

The Ministry of MSMEs approved an upward revision in the definition/criteria of MSMEs, effective July 1.

- The reform is expected to open up fresh avenues of financing and new markets for India's grassroots entrepreneurs
- The definition of a micro-manufacturing and services unit raised to **Rs.10 million (US\$133,841)** of investment and Rs.50 million of turnover
- The limit of small manufacturing and services units raised to **Rs.100 million (US\$1.3 million)** of investment and **Rs.500 million** of turnover
- On industry requests, limit of medium entities further raised to Rs.500 million of investment and **Rs.2.5 billion (US\$33.4 million) of turnover**
- The reform has done away with the separation of manufacturing and services enterprises to serve current requirements
- A new criterion for calculating turnover introduced that will exclude exports from turnover to help MSMEs export more
- This is expected to exponentially add to exports from India leading to growth and economic activity and creation of jobs
- A strong hand holding mechanism for grassroots entrepreneurs on the Champions platform ([www.champions.gov.in](http://www.champions.gov.in)).



# Reform in Labour Codes to Aid Workers

- Universalization of right to minimum wages and timely payment of wages to all, including unorganized workers – presently minimum wages applicable to only 30% of workers
- Statutory concept of **National Floor Wage** introduced: It will reduce disparity in minimum wages
- Simplification of of minimum wage - **less number of minimum wage rates, better compliance**
- Appointment letter for all workers - this will promote formalization
- Annual Health Check-up for employees
- **Occupational Safety & Health (OSH) Code** made applicable to work of hazardous nature
- Definition of inter-state migrant worker modified to include workers in all type of employment
- **Portability of welfare benefits** for migrant workers
- Extension of ESIC coverage to all establishments with 10 or more employees
- Extension of ESIC coverage to establishments with less than 10 employees on voluntary basis
- Mandatory ESIC coverage for employees in hazardous industries with less than 10 employees
- Social Security Scheme for Gig workers and Platform workers
- **Re-skilling fund** introduced for retrenched employees
- **All occupations opened for women** and permitted to work at night with safeguards
- Provision for **Social Security Fund for unorganised workers**
- Gratuity for Fixed Employment - Provision of gratuity on completion of one year as against 5 years

# Skill Mapping of Returning Indians

With the aim of making the best of skilled Indians returning to India amid the ongoing pandemic, the Government has launched a new initiative - **SWADES (Skilled Workers Arrival Database for Employment Support)** to conduct a skill mapping exercise of the returning citizens under the Vande Bharat Mission.

- The joint initiative of the Ministry of Skill Development & Entrepreneurship, the Ministry of Civil Aviation, and the Ministry of External Affairs aims to create a database of qualified citizens
- Based on skill sets and experience, the database will be utilised to fulfill the needs of employers in India; MSDE's unit National Skill Development Corp (NSDC) is implementing the project.
- The collected information will be shared with companies for suitable placement opportunities in the country. The returning citizens are required to fill up an online SWADES Skills Card.

- The card will facilitate a system to provide returning Indians with suitable employment through discussions with stakeholders, including Governments, Industry Associations, and Employers.
- Efforts are being made to make sure that all returning citizens are aware of the SWADES initiative and its benefits via digital/physical signages as well as through Embassy communications.

Returnees can fill up an online form on [www.nsdcindia.org/swades](http://www.nsdcindia.org/swades) to know more about the program. The online SWADES Skill Form has garnered around **7,000 registrations** between May and June.



# Support to States Amid the Pandemic

- The Centre has extended generous support to states in this hour of need:
  - Devolution of taxes (**Rs.460.4 billion or US\$6.2 billion**) in April was given fully as if Budget Estimates were valid, even though actual revenue shows unprecedented decline from Budget Estimates
  - Revenue Deficit Grants to states (**Rs.123.9 billion or US\$1.7 billion**) given on time in April and May, despite Centre's stressed resources
  - Advance release of State Disaster Response Fund (**Rs.110.9 billion or US\$1.5 billion**) in first week of April
  - Release of over **Rs.41.1 billion (US\$550 million)** from Health Ministry for direct anti-Covid activities
- At Centre's request, RBI has increased
  - Ways & Means Advance limits of States by 60%
  - Number of days state can be in continuous overdraft from 14 days to 21 days
  - Number of days state can be in overdraft in a quarter from 32 to 50 days
- States net borrowing ceiling for 2020-21 is Rs.6.4 trillion (US\$85.7 billion), based on 3% of Gross State Domestic Product (GSDP)
- In view of the unprecedented situation, the Centre has decided to increase borrowing limits of States from 3% to 5% for 2020-21
- This will give States extra resources of **Rs.4.3 trillion (US\$57.6 billion)**

# Assistance from PM CARES Fund



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The Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund has allocated **US\$409 million** towards fighting the Coronavirus (COVID-19) pandemic.

- The Fund will direct **US\$264 million** towards the procurement of 50,000 ventilators, manufactured under the Made in India program
- **US\$132 million** will be used to support the welfare of migrant labourers and poorer segments of the population with provision of essential resources
- **US\$13 million** which will go towards R&D of a COVID-19 vaccine, supporting the efforts of Indian academia, startups, and healthcare industry

The Prime Minister on June 30 said that in the coming times, the Government will continue to take further steps to empower the poor and the needy. Economic activities will also be enhanced, with due precautions in place. He also reiterated the pledge to work towards building **Aatmanirbhar Bharat** (self-reliant India) while calling on the citizens to show their support for locally-made products.



**PM CARES**  
Prime Minister's Citizen Assistance and Relief  
in Emergency Situations Fund



# Thank You



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