

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:113
ANSWERED ON:17.02.2009
FUNDS TO RURAL AND URBAN AREAS UNDER PMEGP
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government has provided funds to rural and urban areas under Prime Minister's Employment Generation Programme (PMEGP);
- (b) if so, the details thereof, State-wise; and
- (c) the criteria adopted by the Government to grant funds to rural and urban areas under the said programme?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) & (b): Yes, Sir. Rs. 823 crore [Rs.740 crore (approximately) towards margin money and Rs.83 crore (approximately) towards backward-forward linkages] have been provided during 2008-09 for the implementation of Prime Minister's Employment Generation Programme (PMEGP). The scheme has been approved for implementation from 2008-09 to 2011-12 with an estimated expenditure of Rs.4735 crore (Rs.4485 crore towards margin money and Rs.250 crore towards backward forward linkages). PMEGP is administered by the Government [in the Ministry of Micro, Small and Medium Enterprises (MoMSME)] and implemented by the Khadi and Village Industries Commission (KVIC), as the single nodal agency at the national level. At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Banks.

The following tentative targets have been proposed under PMEGP during the four years, i.e., from 2008-09 to 2011-12:-

Year Employment Margin Money (subsidy)
(number of (Rs.crore)
persons)

2008-09	6,16,667	740.00
2009-10	7,40,000	888.00
2010-11	9,62,000	1,154.40
2011-12	14,18,833	1702.60
Total	37,37,500	4485.00

Note: 1. An additional amount of Rs.250 crore has been earmarked for backward and forward linkages.

2. To begin with, the targets have been distributed between KVIC (including State KVIBs) and State DICs in the ratio of 60:40 to ensure comparatively greater emphasis to micro enterprises in rural areas. The margin money subsidy has also been allocated in the same ratio. DICs have been asked to ensure that at least 50 per cent of the amount allocated to them is utilized in the rural areas.

3. The annual allocation of targets has been issued State/Union Territory-wise to the implementing agencies.

The State / Union Territory-wise details of targets of margin money of Rs.740.33 crore allocated under the PMEGP during 2008-09, are given at Annex,

(c): The broad criteria for distribution of State/Union Territory-wise targets are as given below:

(i) Extent of backwardness of State; (ii) Extent of unemployment; (iii) Extent of fulfilment of targets under PMRY and REGP in 2007-08; (iv) Extent of recovery of loans under PMRY and REGP in 2007-08; (v) Population of State/Union Territory; and (vi) Availability of traditional skills and raw material.