

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

UNSTARRED QUESTION NO:2365
ANSWERED ON:21.07.2009
FUNDS TO STATES UNDER PMEGP
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the funds allocated by the Union Government to various States under Prime Minister's Employment Generation Programme (PMEGP) during each of the last three years and the current year, State-wise; and

(b) the criteria laid down by the Government to release funds under the scheme?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a): The Union Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has launched the 'Prime Minister's Employment Generation Programme (PMEGP) during 2008-09 by merging the then existing employment generation programmes namely, Rural Employment Generation Programme (REGP) and Pradhan Mantri Rozgar Yojana (PMRY) of this Ministry. It is a significant initiative with a higher level of subsidy compared to the above two programmes targeted to generate around 38 lakh additional employment opportunities during 2008-09 to 2011-12 with a total proposed plan outlay of Rs. 4735 crore including Rs. 250 crore for backward and forward linkages. PMEGP is implemented by Khadi and Village Industries Commission (KVIC), a statutory body under the administrative control of this Ministry as the single nodal agency at the national level. At the State level, the scheme is implemented through State Directorates of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs).

The Government does not release funds (margin money subsidy) to the States directly for implementation of PMEGP. The Government releases funds to KVIC, the single nodal agency at national level for implementation of this programme which, in turn releases the funds to the banks and implementing agencies namely, KVIC State Directorates, KVIBs and District Industries Centres (DICs) based upon the target fixed (i.e., in the ratio 30:30:40) for a year. The State-wise fund (margin money subsidy) allocated in 2008-09 and 2009-10 is at Annex.

(b) Release of funds under PMEGP is as per the State-wise targets allocated for the year, which is done on the basis of a set of criteria that, inter-alia, include the extent of rural population, backwardness, prevalence of urban unemployment, availability of skill and raw materials, past performance in schemes like REGP.