

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1611
ANSWERED ON:22.08.2012
SIDBI PROSPERITY PROJECT
Ahir Shri Hansraj Gangaram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Small Industrial Development Bank of India (SIDBI) had decided to introduce prosperity project (samridhi pariyojana) with the cooperation of the Department for International Development (DFID) of England;
- (b) if so, the details thereof and the salient features of the project;
- (c) the amount of financial assistance provided by SIDBI and DFID of England for the implementation of the said project;
- (d) whether DFID of England is providing advanced technology and training in service and production areas of small industries of the country; and
- (e) if so, the details of terms and conditions on which DFID is providing financial assistance to small industries of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Yes Sir, SIDBI has decided to introduce prosperity project (samridhi pariyojana) with the cooperation of the Department for International Development (DFID) of U.K. The project aims to enhance the income and employment opportunities of poor women and men in 8 low income States (viz. Bihar, Uttar Pradesh, Madhya Pradesh, Orissa, Chattisgarh, Jharkhand, Rajasthan and West Bengal) by enabling them to participate and benefit from wider economic growth in India. The purpose of the programme is to improve income, and reduce vulnerability, of poor people and small producers, by expanding their access to finance and markets. The Programme has two separate, interlinked components, i.e. Component I and II. The Component I is being implemented by Small Industrial Development Bank of India (SIDBI). The Component II is being implemented by SIDBI Venture Capital Limited (SVCL), a subsidiary of SIDBI. The programme will i) facilitate financial services institutions, including banks and MFIs, to provide services for poor people in geographical areas to which they would not otherwise go by providing social venture capital, guarantees or technical assistance, as appropriate; ii) supplement microfinance programmes with training for women to improve their knowledge and confidence in financial services, iii) facilitate studies, set up high level think tanks and feed into improving the policy environment for microfinance and improving overall business environment in the Low Income states; and d) fund commercially sustainable approaches that demonstrate responsible client practices and complement Government of India programmes. The programme funds will provide capital or guarantees to businesses which have the potential to benefit poor people, but which do not attract private capital even though they are judged to be financially viable. The investments will be judged on social and environmental performance in addition to financial risk and return, and will be in the form of debt, equity, venture capital and guarantees.

(c): The Component I has a budget of Great Britain Pound (GBP) 24.23 million to be provided by DFID and Component II has a total budget of GBP 35.5 million.

(d) & (e): DFID is not providing any advanced technology and training in service and production areas of small industries of the country.