

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

UNSTARRED QUESTION NO:2904
ANSWERED ON:30.07.2014
IMPLEMENTATION OF PMEGP
Mahajan Smt. Poonam ;Premachandran Shri N.K.

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government proposes to implement the Prime Minister's Employment Generation Programme (PMEGP) under one umbrella;
- (b) if so, the details thereof along with the problems due to the multiple administrative control during the course of implementation;
- (c) whether the Government released the Margin Money Grant (MMG) and subsidy under Prime Minister Rozgar Yojana (PMRY) and PMEGP without arrears;
- (d) if so, whether the Government proposes to pay the arrears of subsidy of PMRY prior to amalgamation of PMRY and Rural Employment Generation Programme (REGP);
- (e) the progress report of the PMEGP in the last three years and the current year, year and State-wise; and
- (f) the details of the target yet to be completed under the scheme along with the steps taken by the Government in this regard?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a)&(b): Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) from 2008-09 through Banks with Khadi and Village Industries Commission (KVIC), Khadi and Village Industries Boards (KVIBs) of States/Union Territories (UTs) and District Industries Centres (DICs) for generating self-employment by setting up of micro-enterprises in the non-farm sector throughout the country. KVIC is the single national nodal agency for the programme.

(c) & (d): The Ministry was implementing two credit linked employment generation schemes namely, Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) since October, 1993 and April, 1995 respectively. Keeping in view the varying parameters and entitlements, targeting almost the same set of beneficiaries in rural areas, it was decided to discontinue PMRY and REGP from 2008-09 and introduce a new credit linked subsidy scheme titled Prime Minister's Employment Generation Programme (PMEGP) by merging the erstwhile schemes of PMRY and REGP. Under PMEGP, Government allocates funds in two heads one as margin money subsidy and another as Backward and Forward linkages. Under Backward and Forward linkages, funds are provided for residual liabilities of erstwhile PMRY & REGP. So far Rs. 36.82 crore has been released for residual liabilities of erstwhile REGP. No funds has been released for residual liabilities of erstwhile PMRY.

(e)&(f): State-wise release of margin money subsidy which is treated as target also, the achievements in term of the margin money subsidy utilized, the corresponding number of projects assisted and estimated employment generated under PMEGP during the last three years and current year is given at Annex.

Although KVIC is the nodal agency for PMEGP at the national level, the role of State Governments/Union Territories is crucial in achieving the targets as the beneficiaries and projects are selected by the District Level Task Force Committee (DLTFC) and the scheme is also reviewed at the State level Bankers Committee by senior functionaries of the State Governments/Union Territories. Central Government has been providing necessary funds, policy inputs and guidance to KVIC for achieving the targets. Intensive monitoring of the scheme and periodic interaction with Banks are also carried out at various levels by KVIC and at national level by the Ministry. In addition, District Level Advisory Committees has also been constituted in all the district for monitoring the progress of PMEGP at district level with active involvement of the Hon'ble Member of Parliament (MP) of the district. KVIC has undertaken awareness camps, workshops, exhibitions, etc at State and district levels to further popularize the scheme.