

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4406
ANSWERED ON:19.12.2014
SELF HELP GROUPS
K. Shri Parasuraman

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal to involve Self Help Groups to the centrally sponsored projects / programmes in the States;
- (b) If so, the details thereof; and
- (c) the action taken by the Government in this regard?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRI JAYANT SINHA)

(a) to (c) : The Government is implementing National Rural Livelihoods Mission (NRLM) which aims at mobilizing all rural poor household into SHGs in a phased manner and provide them long term support to attain appreciable increase in incomes over a period of time to improve their quality of life and come out of abject poverty. NRLM also aims at supporting all women SHGs of the poor, including those promoted by other state agencies and Non-Governmental Organizations (NGOs). With a view to make SHG movement more effective, NRLM was strengthened in May, 2013. The key features of the restructured NRLM are as follows:-

1. Mobilization of at least one woman member from each rural poor household in the country into SHG network in a phased manner;
2. Special focus on the mobilization of women from the Scheduled Castes (SCs) and the Scheduled Tribes (STs), the Particularly Vulnerable Tribal Groups (PVTGs), the disabled and other vulnerable and marginalized households;
3. Promotion of SHG federations at village and cluster levels - Village Level Self Help Group Federations (VLF) at village level and Cluster Federation (CF) at cluster (groups of villages) level;
4. Provision of continuous and intensive capacity building to SHGs and Self Help Group Federations at village and cluster levels;
5. Provision of Revolving Fund (RF) support at the rate of Rs.10,000-15,000 per eligible SHG to supplement their own funds;
6. Provision of Vulnerability Reduction Fund (VRF) as per norms to eligible VLF to meet community level food security, health and nutrition security and such other priority needs of the poor households;
7. Provision of Community Investment support Fund (CIF) as per norms to each eligible Cluster Level Federation (CLF), from which VLFs and SHGs can borrow for meeting consumption and production credit needs of their members;
8. Intensive support to link each SHG to Bank credit such that each SHG member would be able to leverage a cumulative bank credit of Rs.1.00 lakh over a period of 5 to 8 years;
9. All women SHGs in select 150 districts, which include all IAP (Integrated Action Plan) districts, will be eligible to avail credit at 7% interest up to the maximum credit outstanding of Rs.3 lakh. Women SHGs who will repay in time, will get an additional subvention of 3%, reducing the effective rate of interest to 4%.
10. For the remaining districts which are not part of the 150 districts mentioned above, all the Women SHGs where members are from the NRLM target group, will be eligible for interest subvention to avail the credit at 7% per annum up to the credit outstanding of Rs.3 lakh against prompt repayment. This is subject to availability of funds.
11. 25% of NRLM allocation is earmarked for Skill Development and placement support component which seeks to build the skills of the rural youth and place them in relatively high wage employment sectors of the economy.
12. All NRLM benefits are intended only for rural poor households and NRLM is expected to ensure that 50% of the beneficiaries are members of the SCs and STs, 15% are from minority groups and 3% are persons with disability, while keeping in view the overall target of 100% coverage of the rural poor households identified through participatory processes and approved by the Gram Sabha.
13. NRLM has adopted a phased implementation strategy to provide intensive support to the SHGs and their federations such that the

Mission reaches out to all rural poor households.