GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

LOK SABHA
UNSTARRED QUESTION NO. 2519
TO BE ANSWERED ON 19.12.2013

Allocation to States under NRLM

2519. SHRIMATI JAYSHREEBEN PATEL:
Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) the details of the criteria laid down for allocation of funds to States under National Rural Livelihood Mission (NRLM)-AAJEEVIKA for support to livelihood programmes;

(b) whether the Government is considering for making it more rational by linking to percentage of numbers of poor and population of states;

(c) if so, the details thereof;

(d) whether at present, in absence of specific rational principles, grant is being allocated randomly; and

(e) if so, the details thereof and the reasons therefore?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI PRADEEP JAIN ‘ADITYA’)

(a) to (e) Under the National Rural Livelihoods Mission (NRLM)-Aajeevika, funds are allocated to all the States on the basis of the poverty ratio as indicated by the Planning Commission except in the case of Jammu and Kashmir where the actual requirement of funds is allocated to cover 2/3rd of the rural households over a period of five years.

NRLM also has a component of interest subvention to Self Help Groups (SHGs). In the case of 150 identified districts, the interest subvention is provided as per actual requirement. The subvention in the case of these 150 districts is to keep the interest rate on bank loans at 7% per annum and an additional subvention of 3% in cases of prompt repayment. As regards other
districts, the allocation of interest subvention beyond 7% per annum is based on 50% weightage to poverty ratio and 50% to the loan outstanding of SHGs.