

SP-14968/14 (SB)

FTS File No 27630/13
K-11018/04/2012-RL(Pt.)
Government of India
Ministry of Rural Development
Department of Rural Development

6th Floor, Samrat Hotel,
Kautilya Marg, Chankya Puri,
New Delhi.
Dated 26th March, 2014.

To

Shri M. Lenninkumar,
R/o No.15 Subham Complex,
2nd Floor, Subramania Nagar,
2nd Gate Suramanagalam (PO)
Salem-636005 (TN)

Subject:- Information under Right to information Act, 2005.

Sir,

I am directed to refer to RTI Counter letter no.K-11018/01/179/2014-RTI dated 12/03/2014 enclosing your letter dated 11/02/2014 on the above mentioned subject and to say National Rural Livelihoods Mission (NRLM) has been launched on 3rd June 2011 throughout all over India (except Delhi & Chandigarh).

Based on the eligibility criteria, the mission would provide **financial support** to the institutions of poor with intent to inject financial resources into the institutions of poor for meeting their credit needs for both for consumption purposes and also for investment in livelihoods promotion. This fund would be eventually a corpus /capital resource for institutions of the poor. The poorest and the most vulnerable groups would be given priority for capital subsidy. Largely this fund is expected to be used for on-lending to the SHGs for providing financial assistance to meet their livelihoods other essential needs. Each state will strategise the routing of the financial assistance to the institutions of the poor both in the intensive and non-intensive blocks within the overall guidelines provided in the NRLM 'Framework for Implementation'.

NRLM will provide **interest subsidy** to the rural poor in order to access credit at 7% rate of interest to make their investment more viable. Interest subsidy would be performance linked on a long term engagement with banks over the entire credit cycle.

Banks have a critical role in providing services including opening savings accounts for community groups, SHGs and their federations; deposit savings; provide credit and remittances. NRLM would develop strategic partnerships with major banks and insurance companies at various levels, to create enabling conditions for banks/insurance companies and the poor for a mutual rewarding relationship (both supply and demand side of rural finance value chain). On the demand side NRLM will ensure that financial literacy, counselling services on savings, credit and insurance and trainings on micro-investment Planning are embedded in capacity building of all SHGs. 'Bank Mitras' (customer relationship managers selected from among the community) will be positioned in banks for improving quality of banking and insurance services to poor clients. On the supply side, NRLM will forge partnerships with banks for reaching out to all poor, leveraging IT mobile technologies and institutions of poor and youth as business facilitators and business correspondents.

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NRLM will ensure universal coverage of micro-insurance services, particularly to cover life, health and asset risks of the poor and vulnerable households, by seeking convergence with the insurance schemes of Government of India.

NRLM will partner with NGOs and CSOs, (within the ambit of the national framework for partnership with NGO and CSOs) who would share learning, expertise, costs and resources and take up implementation and sensitive support roles and tasks at various levels, run pilots, showcase models, train and build capacities, be resource groups and centres, provide linkages, generate, manage and disseminate knowledge, advocacy etc. Other stakeholders include Private Sector, Corporate Social Responsibility Units, Philanthropic Foundations/Trusts, Training Institutes/centres. Industry Associations would be involved for skill development and placement. Partnership with Academic, Training and Research Institutions would result in curriculum design, training pedagogy, develop faculty/trainer professionally. Partnering with research institutions/ centre of excellence for research/diagnosis tools and policy and strategic planning through field/action research, social observatories would result monitoring the trends and support NRLM /SRLM to take decisions.

You may also get the detail information of NRLM on Ministry's website www.aajeevika.com.

If you are not satisfied with this reply, you may prefer an appeal under section 19 of the RTI Act, 2005 within thirty days from its receipt to :-

Shri S.S. Modi,
DS(RL) & First Appellate Authority
Samrat Hotel
6th Floor, Samrat Hotel,
Kautilya Marg, Chankya Puri
New Delhi.

Yours faithfully

(P.C. Bhaskar)
Assistant Director & CPIO (RL)