

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1426
ANSWERED ON:02.03.2001
TASK FORCE FOR MICRO CREDIT
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether a task force set up by NABARD to examine micro-credit system has submitted its report;
- (b) if so, the suggestions/recommendations made by the task force;
- (c) the reaction of the Government on such recommendations; and
- (d) the steps taken by the Government to implement those recommendations?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) and (b) Yes, Sir. The report of the Task Force was submitted to the Government as well as Reserve Bank of India (RBI) on 25/10/1999. The major suggestions/ recommendations made by the Task Force relate to mainstreaming of micro-finance institutions (mFIs) and other mFIs structure, Regulation and Supervision of mFIs,. Organisational Aspects relating to mFIs.

(c) and (d) Government have taken various steps based on the recommendations contained in the Report. Some of these include scaling up of Self-Help Groups (SHGs)-Bank Linkage Programme, Introduction of Rating Norms for SHGs and introduction of SHGs in Government sponsored schemes. For providing start-up and capacity building funds Government has also set up a micro-Finance Development Fund with National Bank for Agriculture and Rural Development (NABARD).