

**GOVERNMENT OF INDIA  
HOUSING AND URBAN POVERTY ALLEVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:1561  
ANSWERED ON:09.03.2007  
TASK FORCE ON MICRO CREDIT MECHANISM FOR URBAN POOR  
Jagannath Dr. M.

**Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:**

- (a) whether the Task Force set up by the Government to evolve the viable micro-credit mechanism for the urban poor has submitted its report;
- (b) if so, the important recommendations of the Task Force;
- (c) whether the Government has accepted the recommendations of the said Task Force; and
- (d) if so, the time-frame by which the recommendations of the Task Force would be implemented?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION ( KUMARI SELJA )

- (a): Yes Sir, the Government has received the Report of the Task Force on Micro Credit to the Urban Poor.
- (b): The major recommendations of the Task Force are:
  - (i) There is a need to provide credit on flexi terms to the urban poor for their small and petty economic activities.
  - (ii) A proper comprehensive insurance scheme at all India level covering all urban poor should be designed since they are the most vulnerable lot in the society.
  - (iii) A need for an apex organization for the identification, organization and promoting the Self Help Groups (SHGs) capacity building and linking the Groups with Banks and providing refinance.
  - (iv) Government can intervene by providing equity support to this apex financing organization as well as further support to Micro Finance Institutes (MFIs).
  - (v) Self Help Groups (SHGs) should be promoted and help of reputed NGOs may be taken for this.
  - (vi) Capacity Building of urban poor, Banks, NGOs and other stakeholders is a must for the success of the micro credit mechanism.
  - (vii) Some regulatory mechanism is also required to have a proper check on the activities of the NGOs, MFIs active in this field.
  - (viii) Large-scale awareness regarding the unorganized sector and micro-finance should be done through media, TV and other publicity awareness.
- (c)&(d): A Steering Committee on Micro Finance and Poverty Alleviation has been set up in the Planning Commission to look in to the various aspects of micro finance and credit needs of the poor. The Report of the Task Force has been provided to the Steering Committee. The Steering Committee is seized of the issue and it may not be possible to provide any time frame for the implementation of the recommendations of the Task Force as of now.