



## New Model for Rebuilding Kerala



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Numerous families were devastated during the unprecedented floods that hit Kerala during August 2018. Government had extended emergency financial help of Rs 10,000 each to more than 6 lakh people. Following that, for extending more assistance to the deserving people, the concept of interest free loan was framed through Kudumbashree Mission. During these nine months, Rs 1435 crores was made available to the Kudumbashree neighbourhood groups through banks as interest free loan.

We implemented the Resurgent Kerala Loan Scheme (RKLS), in which bank loans upto Rs 1 lakh was made available to the families who lost their household items and livelihood during flood at 0% interest. The loans were also facilitated to the required,

eligible non members of Kudumbashree, by providing membership in Kudumbashree Neighbourhood groups.

Kudumbashree Mission came into an agreement with all major banks for making avail bank loans at 9 % interest. This 9 % interest on the loan was sanctioned from Chief Minister's Distress Relief Fund (CMDRF), making it loan at 0% for the members. The repayment capacity and the needed loan amount of applicants were calculated and verified and the applications were sent to the banks. Through this, 1,73,167 members of 25,374 neighbourhood groups had received

bank loans. The total amount received as of now is Rs 1435.14 crores.

This new model of rebuilding involving self help groups might be implemented for the first time in the world. The programme became a great success because of the ability of our members to avail bank loans knowing their own needs and their capacity to repay. The confidence of banks on Kudumbashree members prompt repayment also paved a way to the success of the programme. We are much delighted that we could lend a helping hand for rebuilding Kerala. ■