

**GOVERNMENT OF INDIA  
PANCHAYATI RAJ  
LOK SABHA**

UNSTARRED QUESTION NO:190  
ANSWERED ON:22.11.2006  
RURAL BUSINESS HUBS INITIATIVE  
Ahir Shri Hansraj Gangaram;Badiga Shri Ramakrishna

**Will the Minister of PANCHAYATI RAJ be pleased to state:**

- (a) whether under the Rural Business Hubs initiative, the Government has facilitated signing of about 50 MoUs between private companies and Panchayati Raj Institutions;
- (b) if so, the number of MoUs signed between the Panchayati Raj Institutions in Andhra Pradesh and the Private Companies and the details thereof;
- (c) whether essential resources and technology required for this purpose are available with the Government;
- (d) if so, the manner in which assistance is like to be provided by the Government with regard to production and marketing by these Hubs;
- (e) whether any MoUs have been entered into with foreign Multi-national Companies in areas like fruit processing, dairying, handicrafts, handloom etc.;
- (f) if so, the details thereof;
- (g) the role of CII, ASSOCHAM, FICCI and similar organizations in the implementation of Rural Business Hubs in the country; and
- (h) the stage at which the concept of establishment of one RBH in every district stands at present?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ [ SHRI MANI SHANKAR AIYAR ]

- (a): Yes, Sir.
- (b): No MoUs has been signed yet between Panchayat Raj Institutions in the State of Andhra Pradesh and private companies.
- (c)&(d): In RBH, Panchayats are essentially required to play the governance role and technology, resources etc. are to be mobilized by business partners. The financing of Rural Business Hubs is envisaged as a business proposition on the public-private-panchayat-partnership principle which could be supported by such `top-up` funds as may be available for the purpose. It is also proposed that Panchayats will converge Centrally Sponsored Schemes and State Government Schemes for funding RBH in rural areas, wherever Panchayats are in place. Support is also envisaged from specialized institutions like NABARD, KVIC etc. The business partner which can be members of the industry, Central/State supported agencies like PSUs, Promotional Organisations, large Cooperatives etc. will help to produce/improve/refine goods from locally available resources and based on local skills to enable them to reach larger markets.
- (e): No, Sir
- (f): Does not arise.
- (g): Ministry of Panchayati Raj is partnering with the Confederation of Indian Industries (CII) in the Rural Business Hubs (RBH) initiative and the objective of the initiative is to combine the inherent skills at local community level with production and marketing capabilities of industry members so that livelihoods and additional financial returns can be ensured to local craftsmen, farmers, producers, etc. For carrying this initiative forward a National RBH Council with Minister of Panchayati Raj and Shri S. K. Munjal of CII as Co- chairmen has been set up along with Minister of State Commerce as Vice-chairman. State RBH Councils with State Minister for Panchayati Raj/Secretary Department of Panchayati Raj and representatives of State CII branch as Co-chairpersons, have also been set up in many States to facilitate the local Panchayats in setting up RBHs.
- (h): So far, MoUs have been signed for setting up RBHs in few districts in the States of Uttaranchal, Uttar Pradesh, Tamil Nadu, Karnataka and Haryana. RBHs are proposed to be set up as Village, Block or Intermediate Panchayat levels.