

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:2946

ANSWERED ON:15.03.2010

RURAL BUSINESS HUB SCHEME

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Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government has implemented the Rural Business Hub Scheme (RBH) in the country;
- (b) if so, the details thereof alongwith the salient features of the scheme and the allocation of funds made thereto;
- (c) the details of memorandum signed with the Khadi Village Industrial Corporation (KVIC) alongwith the identified potential projects under joint ventures in the country including Gujarat;
- (d) the salient features/achievements of the RBH scheme alongwith the details of household business being executed under the RBH in the country; and
- (e) the efforts made by the Government to ensure market linkages to the products manufactured under RBH scheme and the quality and standard of these indigenous products?

Answer

MINISTER OF PANCHAYATI RAJ (Dr. C.P. JOSHI)

(a) to (e): The Ministry of Panchayati Raj is implementing a Scheme of Rural Business Hubs(RBHs) to promote Rural Non-Farming Enterprises (RNFE) which utilise local skills and/or resources and promote rural employment. The Scheme works on a 4P (Public-Private-Panchayat-Partnership) model and is applicable in all the BRGF districts and all the districts in the North Eastern Region. Setting up of RBHs is primarily done through convergence of resources from various ongoing schemes. Assistance under the RBH scheme is available for professional support services, training/skill development and for purchase of minor equipment.

One of the essential criteria for granting financial assistance under RBH scheme is identification of suitable business partner and commitment from the implementing agency and the business partner to ensure market linkages of the products manufactured with maintenance of quality and standard of these products. The salient features of RBH scheme inter-alia are:

Panchayats, the grass-roots democratic institutions, may prepare plans based on local resource endowments, felt needs of people and relative absorptive capacity and implement them

Ideally suited for agriculture / horticulture / handloom / handicrafts related activities, where production is decentralized.

RBH Scheme is operational since September, 2007. Against a total approved outlay of Rs. 24.90 crore for the entire XI Five Year Plan, the annual allocation for the year 2007-08, 2008-09 and 2009-10 was Rs. 2.00 crore, Rs. 2.00 crore and Rs. 1.80 crore respectively.

In August, 2008, the Ministry of Panchayati Raj signed a Memorandum of Co-operation with KVIC for jointly promoting Khadi and Village Industries in rural areas by converging the PMEGP and SFURTI and thereby generating employment and sustainable income for rural producers. However, there has been no significant progress in this regard.