

**GOVERNMENT OF INDIA  
PANCHAYATI RAJ  
LOK SABHA**

STARRED QUESTION NO:301

ANSWERED ON:24.07.2009

IMPROVEMENT OF VILLAGE ECONOMY

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba

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

- (a) whether the Government proposes to harness the potential for manufacturing products from raw materials available in rural areas and exporting them to enable the rural people to get employment and improve economy in villages;
- (b) if so, the details thereof;
- (c) whether his Ministry has signed any memorandum with any other Agency/ Organisation for enabling export of products from rural areas;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to encourage the rural people to improve their economy at Panchayat level?

**Answer**

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

(a), (b), (c), (d) & (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 301 TO BE ANSWERED ON 24.07.2009 REGARDING "IMPROVEMENT OF VILLAGE ECONOMY".

(a), (b) & (c): Yes, Sir. The Ministry of Panchayati Raj (MoPR) is implementing a Scheme of Rural Business Hubs (RBHs) for promoting manufacturing of products using raw materials / skills available in rural areas and some of these products may reach the export market as well. The scheme works on a 4P (Public Private Panchayat Partnership) model and covers all the BRGF districts and all districts in the North Eastern Region. Setting up of RBHs is primarily 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.

(c) & (d): MoPR has signed a Memorandum of Cooperation (MoC) with EXIM Bank for the purpose of enhancing export possibilities of products sourced from RBHs. Key activities covered under the MoC are

- (i) Facilitating identification of suitable exporters, willing to locate their production activities in rural areas,
- (ii) Fostering a mutually beneficial business relationship between such exporters and rural producers, availing of the support and facilitation of Panchayats,
- (iii) Facilitating wider visibility and promotion of identified products of RBHs in international markets by linking these products to EXIM Bank's rural portal and by displaying such products at the overseas offices of EXIM Bank,
- (iv) Familiarizing select RBHs with the process of obtaining Ethical Trading, Fair Trade, Organic certification etc., so that market realization is better.