

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1331

ANSWERED ON:12.12.2013

RURAL BUSINESS HUB SCHEME

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Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government had formulated scheme to exploit the capacity of manufacturing products from raw material available in the rural areas and exporting those products so as to provide employment to the rural people and to improve the economy of the villages under the Rural Business Hub Scheme;

(b) if so, the details thereof;

(c) whether the Government has signed any Memorandum of Understanding (MoU) with other agency/organisation for exporting the goods from the rural areas;

(d) if so, the details thereof; and

(e) the other steps taken by the Government to encourage the rural people to improve their economy at panchayat level under the said scheme?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a) to (e) The Ministry of Panchayati Raj (MoPR) was implementing a scheme known as Rural Business Hub (RBH) Scheme during the 11th Five Year Plan (2007-12) adopting participatory development model, for the Rural areas of the country, built on the platform of 4 Ps i.e., Public-Private-Panchayat-Partnership. The MoPR was implementing this Central Sector Scheme for promoting businesses using raw materials/ skills available in the rural areas. The Scheme targeted all sections in the rural areas to reap the benefits of rapid economic growth by harnessing the resources/ skills in the rural areas and leveraging the technology/ marketing skills of the industry. The entire process was mediated/facilitated by the empowered Panchayati Raj Institutions. Under the Scheme, MoPR extended token financial support (not exceeding Rs. 25 lakh per project) for viable RBH projects and the balance project costs had to be converged through other Central/ State Government Schemes/ Financial Institutions/ Implementing Organizations, etc.

MoPR had 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 were:

(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 Trades, Organic Certification etc., so that market realization is better.

The Scheme has been discontinued during the 12th Five Year Plan. However, to meet the committed liabilities of the projects sanctioned during the 11th Five Year Plan, a provision of only Rs.25.00 lakhs was made during 2012-13 out of which Rs.10.97 lakhs was released.