

Invitation for Expression of Interest from Private Entities to Partner in the Development of Rurban Clusters

*The Department of Rural Development, Government of India invites Expression of Interest (EoI) from public spirited private companies, foundations promoted by corporate houses, non-governmental organizations etc. who would like to collaborate with the government in the economic development of **Rurban clusters** through livelihood generation leading to sustainable progress and prosperity in rural areas.*

1. Background

- 1.1. The Prime Minister of India Shri. Narendra Modi, in a meeting with the young CEOs of India titled Champions of Change, urged them to partner the government in the development of the country. Six groups of Young Entrepreneurs made presentations before the PM on themes such as - Soft Power: Incredible India 2.0; Education and Skill Development; Health and Nutrition; Energizing a Sustainable Tomorrow; and Digital India; New India by 2022. Appreciating the new ideas and innovations envisaged in the presentations made by the entrepreneurs, the Prime Minister said, *“In times past, social initiatives catered to the requirements of people at large, and these movements were spearheaded by eminent people in society.”* Many entrepreneurs, private companies, charitable foundations, non-governmental organizations etc. in the past have expressed their eagerness in working for the development of rural areas. They have sought such prospects from the government. Keeping this in view, the department seeks to provide an opportunity for private players with proven track record and sectoral expertise to partner the government in

sustainable economic development of (Rurban) clusters selected under the Shyama Prasad Mukherjee Rurban Mission¹(SPMRM).

2. About Rurban

- 2.1. Large parts of rural areas in the country are not stand-alone settlements but part of a cluster of settlements, which are relatively proximate to each other. These clusters typically illustrate potential for growth, have inherent if not incipient economic drivers and possess comparative advantages in many respects. This makes a case for concerted policy directives for such clusters. Taking cognizance of this, the Government of India, has initiated the Shyama Prasad Mukherji Rurban Mission (SPMRM), aimed at developing 300 such clusters in the five year period (2016-2021) by provisioning of economic, social and physical infrastructure facilities.
- 2.2. A Rurban cluster² is a cluster of geographically contiguous villages that is transitioning to an urban area and exhibits potential for economic growth and is selected on the basis of parameters that are indicative of the same. After the selection, a comprehensive Integrated Cluster Action Plan (ICAP)³ is prepared based on a need analysis. The objectives of ICAP are to stimulate local economic development, enhance basic services and create well planned Rurban clusters. The ICAP maps the economic drivers for each cluster. A list of economic drivers for each cluster is given in **Annexure 1**.
- 2.3. The ICAP envisages intensive investment by the government in human, infrastructural and economic development in these areas. This includes investments in health, education, digital literacy, sanitation and skill development. Rurban clusters provide infrastructural amenities, economies of scale and social capital that are essential for private enterprises. Infrastructural investments comprise of roads, public transport, piped water supply, solid liquid waste management and citizen service centres. Rurban clusters provide infrastructural amenities, economies of scale and social capital that are essential for private enterprises. The ICAPs seek to trigger and enhance economic activities by investing in agro-processing, agro-services, enhancement of farm productivity, etc. as well as non-farm activities like garment making, handicraft production, tourism, skilling for wage employment, encouraging micro small and medium enterprises etc. that are aligned with the comparative advantages of the cluster.

¹ To learn more about SPMRM, go to <http://rurban.gov.in/about.html>.

² Details of how clusters are selected under SPMRM is given in **Annexure 2**

³ To learn more about ICAP, go to <http://rurban.gov.in/download/ICAP.pdf>

The planned development under ICAPs places the Rurban clusters at the cusp of transitioning into a period of high and sustained economic growth.

3. The Opportunities for Private Entities

- 3.1. Rurban clusters are clusters whose growth potential has been acknowledged by state as well as central government. The identified gaps in these clusters will be effectively addressed through the ICAP. The EoI provides winning prospects for the private entities to engage in Rurban clusters which are at the cusp of economic transformation. These clusters provide opportunities in the following way.
 - 3.1.1. The clusters have evidenced signs of urbanization and economic growth. This process is sought to be accelerated through ICAPs.
 - 3.1.2. The clusters exhibit locational advantages. Some clusters are proximate to growth centres while some are strategically located near transport corridors, production centres or markets.
 - 3.1.3. The clusters exhibit comparative advantages. The economic driver of each cluster is mapped after a comprehensive survey (Refer **Annexure 1**).
 - 3.1.4. The central and state governments propose greater ease of doing business in these clusters by providing faster clearances, single window system etc.
 - 3.1.5. A comprehensive data set is readily available with respect to each cluster since ICAPS are prepared after a comprehensive gap analysis and stakeholder consultations.
 - 3.1.6. Businesses can plan ahead as the schedule of developmental activities and investments by governments are already available in the form of ICAPs and Detailed Project Reports (DPRs) in respect of each item of work.
 - 3.1.7. Since these are clusters of villages it is reasonable to assume that economies of scale of various kinds exist.
 - 3.1.8. An innovation fund of 5% is available with the Rurban mission which the government may use to finance exceptionally good projects.

4. Invitation for Expression of Interest

- 4.1. The Department of Rural Development recognizes and applauds stellar work done by many public-spirited corporations, foundations promoted by corporate houses, non-governmental organizations and even individuals in promoting social and economic development of rural areas wherein they have invested their time and resources. Entrepreneurship is the chief driver of development. Nations, regions and communities that actively promote entrepreneurship, demonstrate much higher growth rates and consequently higher levels of development. The government and the private sector have complementary competencies and can achieve great results if both work in tandem. The need of the hour is for businesses to act as a **prime mover** in these clusters.
- 4.2. The department, thus, invites public spirited private companies, foundations promoted by corporate houses, non-governmental organisations, etc. to partner with the government in the economic development and creation of livelihoods in Rurban clusters. This could be in various ways: in the form of investments; by bringing in their techno-managerial expertise; or through CSR activities. Private partners could help producer groups move up the value chain through better forward backward linkages, supply chain management, packaging and branding. The private entities could provide leadership and mentoring to the businesses in the area or help in incubating new businesses based on the inherent economics potential of the cluster identified under SPMRM. They could also start businesses in the cluster themselves. Such private entities should choose clusters that are either geographically proximate to their area of operation or having such economic drivers that are within their sectoral expertise or where their contribution would make a difference to the lives of people.
- 4.3. Alternatively private entities having experience in rural development sector or process management could help the government in monitoring and implementation of SPMRM in the clusters. They could also help the government in streamlining the delivery of citizen-services and beneficiary-oriented programmes. It is expected that such individuals/organizations would be able to display their proficiency in community-planning, designing livelihood interventions based on needs of people and community by engaging with different stakeholders and village/community level institutions/persons.
- 4.4. In furthering the agenda of engaging the non-governmental sector, Department of Rural Development invites proposals from public spirited private companies, foundations promoted by corporate houses, non-governmental organizations, etc. to come work in Rurban clusters. These organizations or individuals would collaborate with the government/ work in Rurban clusters to satisfy their own

sense of idealism, public spirit and desire to be part of nation building. It is to be noted that no funding shall be provided by the Department of Rural Development to the organizations engaging in this process. However, the Government would fill the critical infrastructural gaps in the cluster as part of the existing programmes and schemes. In exceptional cases only, the department may provide support from innovation fund under SPMRM on a case to case basis.

5. Details of Submission

- 5.1. The proposal may be submitted in the following manner:
 - 5.1.1. Part 1: Executive summary of the work done by the organization in the field of rural development briefly describing the regions where they have worked (2-3 pages) (Applicable to entities described in para 4.3)
 - 5.1.2. Part II: Description of their sectoral business expertise (1 page). (Applicable for entities described in para 4.2)
 - 5.1.3. Part III: Areas where the organization is currently present.
 - 5.1.4. Part IV: Choice of Rurban cluster(s) and the proposal for engagement with the government or business proposal in case the entity is going to expand their operations to the cluster(s)/ start new operations in the cluster(s) (2-3 pages).
 - 5.1.5. Part V : Expectations from the Government (1 Page)
- 5.2. Proposals may be submitted by <last date.....> via post to
Shri. Atul Kumar Tiwari,
Joint Secretary,
Department of Rural Development,
Krishi Bhavan, New Delhi, 110001
or via email at **atulkumar.t@gov.in.**

(Atul Kumar Tiwari)
Joint Secretary (PPM)
Department of Rural Development