

NABARD SCHEME HANDOUTS



TOPIC – RURBAN MISSION

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Mail: Clarity4sure@gmail.com

Telegram: @Clarity4sure [You Tube](#)

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1 Introduction

- 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 economic drivers and derive locational and competitive advantages. Hence, making a case for concerted policy directives for such clusters. These clusters once developed can then be classified as 'Rurban'.
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- The National Rurban Mission (NRuM) follows the vision of "Development of a cluster of villages that preserve and nurture the essence of rural community life with focus on equity and inclusiveness without compromising with the facilities perceived to be essentially urban in nature, thus creating a cluster of **"Rurban Villages"**.
- Hon'ble Prime Minister has launched this scheme on **21st February, 2016** in the State of Chhattisgarh. The Mission aims at development of rurban clusters, which would trigger overall development in the region. (outlay of Rs. 5142.08 crore)
- Nodal Ministry – MoRD
- SPMRM is a scheme launched by the Ministry of Rural Development (MoRD) in 2016 to deliver integrated project based infrastructure in the rural areas, which will also include development of economic activities and skill development.

2 Objectives

The objective of the National Rurban Mission (NRuM) is to stimulate local economic development, enhance basic services, and create well planned Rurban clusters.

- Bridging the rural-urban divide-viz: economic, technological and those related to facilities and services
- Stimulating local economic development with emphasis on reduction of poverty and unemployment in rural areas.
- Spreading development in the region.
- Attracting investment in rural areas.

3 What is Rurban Cluster

- A 'Rurban cluster', would be a cluster of geographically contiguous villages with a population of about 25000 to 50000 in plain and coastal areas and with a population of 5000 to 15000 in desert, hilly or tribal areas.
- The following components are envisaged as desirable in each cluster: (i) Skill development training linked to economic activities (ii) Agro Processing, Agri Services,

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Storage and Warehousing. (iii) Fully equipped mobile health unit. (iv) Upgrading school/ higher education facilities. (v) Sanitation (vi) Provision of piped water supply. (vii) Solid and liquid waste management. (viii) Village streets and drains. (ix) Street lights (x) Inter-village road connectivity. (xi) Public transport. (xii) LPG gas connections (xiii) Digital literacy. (xiv) Citizen Service Centres (CSC) - for electronic delivery of citizen centric services/e-gram connectivity.

- The State Governments shall prepare an Integrated Cluster Action Plan (ICAP) that would lay down the development aspirations of the cluster in a consultative manner.

4 Institutional Framework

- 4tier structure

• National	The NRuM will be run at the Centre, by the National Mission Directorate headed by the Joint Secretary, in-charge at the Ministry of Rural Development
• State	At the State level, Department of Rural Development or an Agency or any Department nominated by the State Government will be designated as the State Nodal Agency (SNA) for purposes of the National Rurban Mission (NRuM).
• District	A District Project Management Unit (DPMU) may be set up at the District Collector's office with upto three professionals
• Cluster	At the Cluster level, a Cluster Development and Management Unit (CDMU) will be set up for each Rurban cluster comprising at least two professionals

5 Selection of Clusters

There are 2 categories of clusters: Non-Tribal and Tribal.

- Rurban clusters are identified across the country's rural areas showing increasing signs of urbanization - i.e. increase in population density, high levels of non-farm employment, presence of growing economic activities and other socioeconomic parameters.
- For the purposes of SPMRM, Rurban areas refer to a cluster **of 15-20 villages having about 30 to 40 lakh population. The clusters will be geographically contiguous Gram Panchayats with a population of about 25000 to 50000 in plain and coastal areas and a population of 5000 to 15000 in desert, hilly or tribal areas**
- The clusters could then be formed by identifying geographically contiguous villages/gram panchayats within a radius of **5-10 km** (or radius appropriate to the population density and geography of the region) around the identified growth center.

6 Performance Parametres

<u>Non Tribal Cluster</u>	<u>Tribal Cluster</u>
Performance parameters: i. Decadal growth in Rural Population. ii. Rise in Land Values. iii. Decadal growth in Non- Farm Work force participation. iv. Percentage Enrollment of girls in secondary schools. v. Percentage Households with Bank accounts under Pradhan Mantri Jan Dhan Yojana. vi. Performance in Swachh Bharat Mission (Grameen). vii. Good Governance Initiatives by Gram Panchayats	Performance parameters: i. Decadal growth in Tribal Population. ii. Growth in Tribal Literacy rates. iii. Decadal growth in Non- Farm Work force participation
Any other factor which the States may consider relevant may also be included. However, a total weightage of 80% would be given for the first 4 parameters and the States will have the flexibility to choose the last three parameters, subject to a total weightage of 20%.	Any other factor which the States may consider relevant may be included in addition to the above three parameters, provided the weightage for the above three parameters is not reduced below 80%.

7 Critical Gap Funding

- Critical Gap Funding (CGF): The CGF provided shall be in addition to the funds available to the Project through various schemes. The entire CGF will be funded by the Mission through Ministry. The CGF will be provided to bridge the funding gap posed by availability of scheme funds and fulfilling the development aspirations of the 'Rurban Cluster.
- For plain areas, the CGF will be capped at 30% of the Project capital expenditure or Rs. 30 crores, whichever is less. In desert, hilly and tribal areas the CGF will be capped at 30% of the Project capital expenditure or Rs. 15 crores, whichever is less.
- There is a funding support of up to 30% of the estimated investment for each Rurban cluster, given as Critical Gap Funding (CGF), while 70% of the funds is mobilized by the States through convergence with synergic State and Central programmes as well as private investment and institutional funding.

8 ICAP

Integrated Cluster Action Plan (ICAP) shall be a key document covering baseline studies outlining the requirements of the cluster and the key interventions needed to address these needs and to leverage its potential. The ICAPs will be recommended by the State level Empowered Committee (SLEC) and submitted to the Ministry for approval.

9 Fund

The Ministry shall release Rs. 35 lakhs (Rupees thirty five lakhs only) per Rurban cluster approved in the State for preparation of ICAPs. This will be adjusted against the 2%

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administrative budget for each State. The funds would be released in three instalments at appropriate stages of the project cycle as illustrated below.

- The first instalment -- 30% of CGF will be released after the approval of the ICAP by the Ministry.
- The second instalment -- 30% of CGF will be released after submission of DPR approvals by SLEC, approval of the final CGF for the project by the Ministry, which will be followed with commencement of construction activities at the site.
- The third instalment -- 40% of CGF will be released after submission of Utilization Certificate in accordance with GFR rules and a field visit by Ministry.
- Upon being re-classified as a Centrally Sponsored Scheme, the CGF is now shared between the Centre and the State in a ratio of 60:40 for Plain area States and 90:10 for Himalayan and NE States.