

Kurushetra Vol. 59 No. 2 December 2010

**BRIDGING URBAN-RURAL DIVIDE -
PROVIDING URBAN AMENITIES IN RURAL AREAS (PURA)**
Atul Kr. Tiwari
The objectives of PURA are proposed to be achieved under the framework of Public Private Partnership between Gram Panchayats and private sector partner with active State Government support.

Real India exists in villages, said the Father of the Nation, Mahatma Gandhi. However, despite all the efforts even after six decades of independence, one of the striking aspects of the country has been the vast difference in terms of facilities in the urban and rural areas. In order to bridge the gap between urban India & rural Bharat yet another effort is being made by the Ministry of Rural Development in the form of a renovated Provision Urban Amenities in Rural Areas (PURA) scheme.

PURA is a Central Sector scheme re-launched by Ministry of Rural Development during the

remaining period of the XI Plan with support from Department of Economic Affairs and the technical assistance of Asian Development Bank. The Ministry of Rural Development is implementing the PURA scheme under a Public Private Partnership (PPP) framework between Gram Panchayat(s) and private sector partners with active support of the State Governments.

The scheme envisages twinning of rural infrastructure development and management with economic re-generation activities and is the first attempt at delivering a basket of infrastructure and amenities through PPP in the rural areas.



12 Kurushetra December 2010

It is an effort to provide a different framework for the implementation of rural infrastructure development schemes and harness private sector efficiencies in the management of assets and delivery of services. This would perhaps be the first such attempt at PPP in integrated rural infrastructure development and management in the world.

The primary objectives of the scheme are the provision of livelihood opportunities and urban amenities in rural areas to bridge the rural - urban divide. Holistic and accelerated development of compact areas revolve around a potential growth centre in a Gram Panchayat (or a group of Gram Panchayats) through Public Private Partnership (PPP) framework for providing livelihood opportunities and urban amenities to improve the quality of life in rural areas.

The objectives of PURA are proposed to be achieved under the framework of Public Private Partnership between Gram Panchayats and private sector partner with active State Government support. Core funding shall be sourced from the Central Sector scheme of PURA and complemented by additional support through convergence of different Central Government schemes. The private sector shall also bring into the project its share of investment besides operational expertise. The scheme would be implemented and managed by the private sector on considerations of economic viability but designed in a manner whereby it is fully aligned with the overall objective of rural development.

Amenities to be provided under MoRD Schemes are Water and Sewerage Construction and maintenance of Village Streets; Drainage;

Solid Waste Management; Skill Development; Development of Economic Activities.

Similarly amenities to be provided under Non-MoRD Schemes are Village Street Lighting; Telecom; Electricity, etc. and Add-on Projects (Revenue earning, people centric projects) are Village linked tourism; Integrated Rural Hub; Rural Market; Agri - Common Services Centre, Warehousing, etc. and any other rural-economy based project.

It is expected that a scheme like PURA wherein all related schemes for rural infrastructure are being converged for a synchronized delivery for a period of 10 years in project mode shall maximize socio-economic impact. Besides, minimum development obligations by the private developer will enable improved quality of service delivery in the Panchayat area.

In the pilot phase, the private developer is given flexibility to identify and select the Gram Panchayat for undertaking PURA projects based on their familiarity with the area or past experience of working at the grassroots level. However, as the consent of the concerned Panchayats and no objection from the state governments is mandatory, the selection would reflect the concurrence of all the stakeholders.

Funding for projects under PURA scheme would come from four sources: MoRD schemes, non-MoRD schemes, private financing and Capital Grant under PURA. Each individual PURA project cost and the eligible capital grant (subject to a maximum of 35% of project cost) shall be determined on the basis of a Concept Plan and Detailed Project Report that would be appraised and approved by an inter-Ministerial Empowered

The objectives of PURA are proposed to be achieved under the framework of Public Private Partnership between Gram Panchayats and private sector partner with active State Government support.

Kurushetra December 2010 13

Written by Administrator

Saturday, 11 December 2010 06:47 - Last Updated Saturday, 11 December 2010 06:52

Committee for the purpose. It is expected that the additional revenue generating activities and the capital grant support shall successfully enable a viable PPP in the scheme. Mapping of different risks along with mitigation measures has been attempted. Along with emphasis upon rural development priorities, there shall be an effort to dovetail developers' perspective on an economically viable project. The way project design has been done, the private developer should make requisite profit during the project life cycle of 10 years.

Through the implementation of proposed pilot projects, the unique features of this scheme would be tested on the ground and provide lessons for upscaling in future. Besides, the entire process shall help strengthen the institutional ability of a Gram Panchayat to undertake PPP and help pilot-test the viability of PPPs in rural infrastructure development. However, in terms of funding and management of PURA projects across all the 2,50,000 Panchayats in the country is concerned, it is up-scalable and financially affordable for the Government over a period of 5-10 years.

In this backdrop the exercise has been undertaken by the Ministry of Rural Development to find private sector partners in progress in rural areas who can contribute to rural infrastructure development. The selection has been done through an open competitive technical bidding process with rigorous qualification and evaluation criteria. As these are pilot projects, therefore, there has been no financial bidding. In the pilot projects the bidders have been evaluated on their technical capability and assigned scores as per pre-approved evaluation methodology. The nine companies that have been finally short-listed are in the area of infrastructure development with strong rural and community mobilization experience either directly or through their consortium partners.

PURA was envisaged by former President of India Dr. A.P.J.Kalam as a self-sustainable and viable model of service delivery in rural areas to be managed through an implementation framework between local people, public authorities and the private sector. The scheme was re-configured after extensive consultation and research process with State Governments, private sector and multi-lateral development organizations like ADB. It was initiated as a pilot in Public Private Partnership (PPP) mode early this year when the Expression of Interest (EOI) evoked unprecedented response from the private sector for this untested and complex scheme, perhaps the first of its kind in the world. Ministry of Rural Development intended to launch about 8-10 pilots across the country. Against this number, ninety five private entities expressed interest and these included some of the largest Indian corporate entities such as the IDFC, Tata Power, Reliance Industries, IL&FS, SREI Infrastructure etc.

The scheme is all set to herald a paradigm shift in rural infrastructure development with the enthusiastic response of from the Private Sector. PURA represents twinning of rural infrastructure development with economic re-generation activities. This is the first ever attempt at delivering infrastructure and amenities through Private Public Partnership in the rural areas. Involvement of the private sector, for the first time, in creation and management of amenities through a partnership with Gram Panchayats is an effort to provide a completely different framework for the implementation of rural infrastructure development schemes and harness private sector efficiencies in the management of assets and delivery of services. (PIB Features)

(The author is Director (M & C), Press Information Bureau, New Delhi).