

Policy for Financial Assistance towards Marketing Initiatives of NABARD
(Rural Haat, Rural Mart and Exhibitions)

I. Rural Haat

1. Definition: A Haat or bazaar is an open-air market that serves as a trading venue for local people in rural areas. They are periodic markets which normally work on a weekly cycle or such other periodicity as decided by the local users. Each Haat normally caters to the needs of 10 to 20 villages, drawing nearly 3000-4000 persons who come to sell their produce and/or buy their needs.

2. Scope of the Scheme: The scheme provides for grant assistance for creation /upgradation of basic infrastructure in Rural Haats in all rural areas. Rural areas will be as defined in NABARD Act. In new Rural Haats, the following infrastructure components shall be constructed, mandatorily.

- Raised platforms with semi-permanent/permanent roofing (At least 200 sq. metres in plain areas and 150 sq. metres in hilly/NER/Andaman & Nicobar Islands, Aspirational districts)
- Pathways
- Drinking water, drainage & sanitation facilities
- Compound Wall or appropriate fencing
- Solid waste disposal/vermi-compost pit
- Solar Lighting
- Notice Board
- Small Storage Room/Office Space

3. Quantum of Assistance: NABARD will provide one-time grant assistance as given below:

Project Location	NABARD Assistance
Hilly Areas, North-East States, Sikkim, Andaman & Nicobar Islands, Aspirational districts	Up to 95% of total cost or ₹ 15.00 Lakh whichever is lower
Other Areas	Up to 90% of total cost or ₹ 15.00 Lakh, whichever is lower

ing Surface

NGOs acting as Project Implementing Agencies will be eligible for supervision charges of up to 3% of total project outlay. This amount will be over and above the above-mentioned costs.

4. Project Implementing Agencies: The agency implementing the Rural Haat scheme will be called the Project Implementing Agency (PIA). Following agencies are eligible for applying for NABARD assistance for Rural Haats:

- Elected Gram Panchayats or equivalent institutions like Village Councils, etc.
- Primary Agriculture Credit Societies (PACS),
- Producer Organizations of both farm and off-farm sector (FPOs, OFPOs),
- Non-Governmental Organizations (NGOs)
- Rural Cooperative Societies,
- Community based Organizations in TDF/WDF Areas and
- CSR Entities (NABARD Support shall be limited to 50% of the Total Project Outlay or ₹ 15.00 Lakh, whichever is less).

Criteria to be followed for selection of PIA is listed in **Annexure II** (Operational Guidelines).

5. Project Location: Proximity to black topped road and hub village with a resident population of at least 5,000 is considered an ideal location for setting up a Rural Haat for facilitating movement of goods and attracting regular buyers. If a marketplace without basic infrastructure already exists, the same may be taken up for infrastructure support/upgradation.

A new site may be taken up for development of Rural Haat, only if there is no existing Haat in the vicinity of the proposed location. In case a new Haat is to be established, the plot size should be minimum 750 square metres in plain areas and 500 square metres in hilly/mountainous areas. There should be adequate scope for future expansion of the Haat. The OIC/CGM shall allow for suitable relaxation in the minimum size of the Rural Haat, where land shortage is an issue, keeping in mind the future requirements of the Haat.

In case of Existing Haats which are proposed to be upgraded, the PIA should be the owner of the Haat/land on which it is built. In case of New Haats, the PIA shall be the owner of the land. Alternatively, the land shall be made available for the new Haat by the Block Administration, District Administration, Gram Panchayat, PACS, FPO or OFPO, free of cost. In exceptional cases, the PIA can lease the land on which the new Haat is proposed to be developed. The PIA can obtain the plot on

long term lease of not less than 15 years from the Block/District Administration /villagers for setting up the Haat free of cost, with irrevocable clause in Lease Agreement.

NGOs/CSR Entities shall execute a MoU with the representatives of users regarding availability of the infrastructure created through NABARD support for long term (minimum 15 years). Since land will be the main component, there should not be any ambiguity regarding its size and ownership. Documentary evidence regarding legal ownership and possession of the plot/land by PIA must be examined to the satisfaction of DDM. As permanent infrastructure is created, arrangement after the termination of lease period must be clearly indicated before the project is sanctioned.

- 6. Clearance from District/Local authorities:** Selection of existing Haat /new site by the PIA should be done in consultation with DDM, NABARD and the Block Development Officer (BDO)/DPRO/Zilla Parishad. Before submitting the proposal, PIA should obtain clearance/approval/recommendation from District Administration/DRDA/Zilla Parishad/Gram Panchayat/District Cooperative Bank, where such clearance/approval/ recommendation is required under the State Panchayat Act/Rules or any other authority.
- 7. Cost Estimates:** The cost estimates for the proposed infrastructure should be approved by a competent authority i.e. Rural Engineering Dept. /PWD or any authorized Government Department or registered civil engineers/architects.
- 8. Project Duration:** PIA has to submit a detailed timeframe for implementation of the project on acceptance of terms and conditions. The project implementation should commence within two months from the date of acceptance of terms and conditions of sanction by the agency and construction should be completed within one year of the commencement of work. Any deviation from the timeframe proposed, up to six months will be allowed on case-by-case basis, after certification of the same by Rural Haat Management Committee (RHMC), with valid reasons.
- 9. Submission of Project Proposal:** The project proposal should be submitted by the PIA to the Regional Office of NABARD through DDM, NABARD of the concerned district. The DDM shall forward the proposal with his/her recommendation to the Regional Office.

10. Project Sanction: The proposal shall be considered and recommended for sanction by the Project Sanctioning Committee of the Regional Office, based on its delegation of powers under GVN.

11. Rural Haat Management Committee (RHMC): To oversee project implementation and manage the operations, the PIA will constitute a Rural Haat Management Committee (RHMC) after acceptance of Terms and Conditions of Sanction Letter. Depending on the agency to which the Project is sanctioned, membership of the RHMC will comprise the Sarpanch and/or representatives of Gram Panchayat, Head/representative of PIA, representative of BDO, nearest bank, farmers, vendors and traders and DDM, NABARD. The RHMC will meet once in a quarter or frequently if required.

- The RHMC shall meet once in a quarter or more frequently if required to guide the project implementation.
- The RHMC shall submit quarterly progress reports to the concerned Regional Office throughout the project period, certifying the work done. Payment of NABARD assistance shall be based on certification of work done by RHMC.
- The RHMC shall also recommend extension of project period, if needed, of up to six months to the Regional Office.
- An officer from Regional Office may also attend one or two RHMC meetings during the project period.

12. Disbursement Schedule: A separate bank account must be opened by the Project Implementation Agency. After acceptance of terms and conditions, the PIA can submit request for release of first instalment. Margin money contribution must be utilized before the claim for second instalment is made. The release schedule to be followed and documents required are listed in the Operational Guidelines. In case, the grant released is not utilized within three months from release date, without any justifiable reason to the satisfaction of NABARD, the entire grant released shall be returned to NABARD.

13. Monitoring

- The RHMC will meet once in a quarter or frequently if required, to guide the project implementation. The RHMC will submit progress reports to the concerned Regional Office throughout the project period, within 10 working days at the end of every quarter, indicating the progress made during the quarter against the

deliverables. Release of funds to PIA will be based on certification of work done by RHMC. within 10 working days at the end of every quarter.

- DDM-NABARD will associate with the RHMC till the completion of project. Thereafter, he/she may visit the Haat occasionally to assess the functioning of the Haat and furnish feedback to NABARD on half-yearly basis on the functioning of the Rural Haat.
- An impact evaluation shall be carried out after one year of completion of the project and the report shall be submitted to Head Office.

14. Important points:

- NABARD's sponsorship of the project should be reflected in the form of a permanent structure like foundation stone or inscription on a raised platform. Acknowledgement of NABARD's sponsorship therein, is mandatory for release of the second instalment.
- The PIA should maintain proper records of its financial operations and funds received and utilized during the project period and the same will be available to NABARD as and when required. Non-submission of account of funds received and utilized will render the PIA ineligible for further support.