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Government of India  
Ministry of Tribal Affairs

345/25-2/20  
दिनांक 09/07/2018 2011

Shastri Bhawan, New Delhi  
Dated: 29/06/2018

**OFFICE MEMORANDUM**

**Subject: Van Dhan Mission proposal-approval regarding-**

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श्री (राजेश) उपा  
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29/08/2018

The undersigned is directed to refer to D.O. letter No.TFD/HO/MFP/MSP/ 72/18-19 dated 13.06.2018 from Shri Pravir Krishna, Managing Director, Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED) to Secretary (Tribal Affairs) on the subject noted above and to convey the approval of the component authority in the Ministry to the Van Dhan Mission proposal.

2. A copy each of the Van Dhan Mission proposal and the Van Dhan Mission document as finally approved is enclosed for ready reference. It may kindly be noted that the Van Dhan Mission document has been slightly modified / amplified in some places as duly highlighted.

*(Signature)*

(Roopak Chaudhary)  
Deputy Secretary to the Government of India  
Tel: 011-233874

The Managing Director,  
Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED),  
2<sup>nd</sup> Floor, NCUI Buidling  
3, Siri Institutional Area,  
August Kranti Marg,  
New Delhi - 110016

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Copy for information to :

- Principal Secretaries/Secretaries/Commissioner of Tribal Welfare Departments of All States/UTs.
- CMD, National Scheduled Tribes Finance Development Corporation (NSTFDC), NBCC Tower, 15, Bhikaji Cama Place, R.K. Puram, New Delhi - 110066.

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## The Proposal - Van Dhan Mission

### 1. About Van Dhan Mission

- Van Dhan is primarily a component under the Scheme for Minimum Support Price (MSP) for Minor Forest Produces (MFP) of Ministry of Tribal Affairs (MoTA). The Value addition component of the Scheme is proposed to be taken up in Mission mode to provide enhanced livelihood and income generation for tribals.
- Van Dhan Mission is an initiative targeting livelihood generation for tribals by harnessing the wealth of forests i.e. Van Dhan. The programme aims to tap into traditional knowledge & skill sets of tribals by adding technology & IT to upgrade it at each stage and to convert the tribal wisdom into a viable economic activity. It shall promote and leverage the collective strength of tribals to achieve a viable scale to take on the predatory market forces in the areas where these are still prevalent.
- The idea is to set-up tribal community owned Non-Timber Forest Produce (NTFP)-centric multi-purpose Van Dhan Vikas Kendras (the Kendra) in predominantly tribal districts in a span of 2 years i.e. 1500 Kendras to be set-up in each year to provide employment and livelihood to about 45 lakhs tribals and forest dwellers at cost of Rs. 322.52 Crores in first year and cost of Rs 436.53 in second year along with provision for estimated working capital requirement of Rs 150 crores for each year, to be met through tie up with financial institutions, banks, NSTFDC. The same would continue beyond this period and new centres set in the following year as needed.
- Notably, there exists a strong complementarity between the Aajeevika - National Rural Livelihood Mission (NRLM) of the Ministry of Rural Development (MoRD) and proposed Van Dhan Mission of Ministry of Tribal Affairs (MoTA) as both focus on pro-poor transformation through building of strong grassroots livelihood collectives. Concerted efforts shall be made towards tapping the network of all existing Scheduled Tribe (ST) Self Help Groups (SHGs) formed and/or revived under NRLM and consolidating them into Van Dhan SHGs at unit level and federated into Van Dhan Kendras at cluster level.
- Out of the total 3000 Van Dhan Kendras to be set-up, about 2100 Kendras (70 percent) are estimated to be converged from Aajeevika Mission and remaining 900 (30 percent) shall be mobilized.
  - Criteria for qualification of Aajeevika/DoNER SHGs for Van Dhan Vikas Kendras
    - The SHGs should comprise of MFP gatherers
    - The SHGs should have a minimum of 60% tribal members
    - The SHGs should be present in the catchment areas of the MFPs.
    - The SHGs selected through the Aajeevika network will be distinguishable from the other through software generated unique numbers for monitoring purposes.
- The Kendras would act as common facility centres for procurement cum value addition to locally available NTFPs and skill based handicraft.

A typical Van Dhan Vikas Kendra shall constitute of 10 tribal Van Dhan Vikas Self Help Groups (SHG), each comprising of upto 30 NTFP gatherers or tribal handicraft artisans i.e. about 300 beneficiaries per Kendra (subject to variability as per local conditions). This stage will involve primary value addition of MFP items through mechanical tools such as decorticators, sickle, secateurs, cutting tools, dryers, graders etc. Subject to successful operations of the SHGs in a Kendra, common infrastructure facilities (pucca Kendra) may be provided to the Kendra in terms of building, warehouse, etc. for use of the SHG members

## Van Dhan Mission Proposal

- The technologies developed under Research and Development initiatives undertaken by TRIFED will facilitate strengthening the primary and secondary processing facilities of the pucca Kendras.

The Van Dhan Vikas Kendras will be established around the catchment areas of the local haat bazaars, where the procurement of the MFPs shall be taken up under the MSP for MFP scheme.

As per the estimation there are more than 10000 Haats in the tribal areas. Within the provisions of the scheme of MSP for MFP, it is proposed to modernize these Haat Bazaars with permanent structure and facilities for storage, drinking water, shade, platform, weighing equipment and other tools etc. The modernisation of the Haat bazaars shall be taken up in a phased manner, along with the establishment of the Van Dhan Vikas Kendras.

- As per the Scheme of MSP for MFP, the Van Dhan SHGs will be funded from the training component of the Scheme by TRIFED. Ministry of Tribal Affairs shall provide 100% grant for the Van Dhan SHG i.e. for training and tools and equipment for primary level processing, as per the provisions of the present Scheme. The infrastructure component (pucca Kendra) can be funded from the infrastructure component of the Scheme
- The Mission Document is being submitted which provide further details about the Van Dhan Mission.

## 2. Availability of Funds in 2018-19

The requirement of funds has been assessed keeping in view the availability of revolving funds under the Scheme in the States, requirement for procurement and infrastructure development, after which the excess available funds including interest that would have accrued would be used for setting up of the Van Dhan Kendras. The requirement of additional funds beyond this has been assessed and sought on a quarterly basis. The State implementing agencies are required to make a district specific plans based on availability of MFPs and gatherers, the criteria for which has been given earlier.

For implementation of Van Dhan Mission, the following funds may be available from different sources in 2018-19 such as:

- **Funds already Sanctioned to TRIFED** - A budget of Rs 40 Crore has already been sanctioned to TRIFED for FY 2018-19 towards General and Capital expenditure. Additionally, an unutilized fund of Rs. 5.67 Crore is carried forward from the Capital head of Multi-Purpose Tribal Development Centres (MPTDC) and Rs.1.87 Crore is carried forward from the funds sanctioned for trainings in FY 2017-18, which is available with TRIFED.
- **Linkages with Financial institutions and Banks** - The working capital requirement for the SHGs is proposed to be made available through tie up with financial institutions, banks, NSTFDC, Aajeevika, etc. No funding would be required from Center/ State.
- **Excess of funds available from Revolving fund already released to the States towards procurement of NTFPs (MFPs) under MSP for MFP Scheme** - A revolving fund of Rs 303.87 Crores (approx.) has already been released to the States (where the Van Dhan Kendras are proposed to be set-up in first year), towards procurement of NTFPs (MFPs) under MSP for MFP Scheme. It is estimated that for FY 2018-19 an excess fund available after procurement under MSP Scheme is Rs 221.95 Crores (approx.) with some of the States. A portion of the excess available funds may be directed towards implementation of Van Dhan

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## Van Dhan Mission - Proposal

Mission, in accordance with the requirement as per targeted number of Van Dhan Kendras & pucca Kendras to be set-up in respective States in year 2018-19. Specific directions would need to be issued to each State for utilization of the excess available revolving funds for the Mission.

Table 1. Sources of Funds (Rs. In Crores)

Particulars	Year 1	Year 2
<b>A. Estimated Funds Requirement</b>		
I. Setting up Van 1500 Dhan Vikas Kendra each year	225.00	225.00
II. Setting up of pucca Kendras	84.00	180.00
III. Other associated related project cost (natural resource survey, R&D, Advocacy, marketing intelligence, office expense etc)	13.52	31.53
<b>Total Fund Requirement for Van Dhan Mission</b>	<b>322.52</b>	<b>436.53</b>
<b>B. Funds available with TRIFED/ State Level Implementing Agency (of MSP for MFP scheme)</b>		
I. Budget available for the F/Y 2018-19		
a. General Head	15.00	
b. Capital Head	25.00	
II. Carry forward funds from the heads of MPTDC - Capital Head	5.67	
III. Funds sanctioned for trainings of 2017-18 under implementation in Van Dhan Concept- Committed	1.87	
IV. Excess funds from revolving fund may be available from the funds already released to the States for setting of targeted number of Van Dhan Kendra and pucca Kendra in 2018-19	171.55	
V. Contribution from State Government (to the tune of 25% of the cost of pucca Kendra as MSP policy)	21.00	45.00
<b>Total Fund Availability</b>	<b>240.09</b>	<b>45.00</b>
<b>C. Additional Budget requirement</b>	<b>82.43</b>	<b>391.53</b>

- **Contribution from the State Government(s):** As per the Scheme of MSP for MFP, the State Government is proposed to contribute the tune of 25% of the cost of infrastructure component (pucca Kendra).

### 3. Proposal for 2018-19

- It is estimated that if the above stated available fund is utilized towards implementation of Van Dhan Mission, then 1054 Van Dhan Kendra and 315 pucca Kendra can be established in 2018-19
  - Aligned with the Centre level policy to trigger the rapid transformation of Aspirational districts, emphasis of the Mission shall be to set-up the Van Dhan Kendras in the aspirational districts with majority tribal population.
  - The setting-up of the Kendras would then be gradually scaled up to other Districts/States in order of percentage of tribal population and assessment of availability of NTFPs with potential for value addition.
- As per the Van Dhan Mission, 1500 Van Dhan Kendra and 420 pucca Kendra are proposed to be established in 2018-19. Thus, for implementation of the Van Dhan Mission as per the proposed plan, an additional fund of Rs 82.43 Crore shall be required over and above the funds available from various sources, as stated above.
- In view of this the following is proposed:
  1. Ministry of Tribal Affairs (MoTA) to authorize the following State Governments to utilize the revolving funds for implementation of Van Dhan Mission in respective States in 2018-19, as given below:

## Van Dhan Mission - Proposal

(Rs. In Crores)

No.	State	Revolving Funds Released so far	Procurement under MSP Scheme (2014-2017)	Sale Status of Procured MFP Items under MSP Scheme as on As on August 2017	Balance Value	Balance Stock estimated @30% of balance value of Stock	Estimated Availability of Revolving funds with States after procurement and sales till Aug 2017	Projected Procurement 2018-19	Excess Available Revolving Funds with the State	Amount To be authorized for utilization towards Van Dhan Mission in 2018-19
		(A)	(B)	(C)	(D)	(E) = 30% of (D)	I = A - B + C + (D - E)	II	I-II	III
1	Andhra Pradesh	8.29	0.28		0.28	0.08	8.21	2	6.21	6.21
2	Chhattisgarh**	153.56	115.66	47.68	13.35	4.00	122.84	20	102.84	80.55
3	Gujarat	5	2.87	0.52	2.28	0.68	4.24	2	2.24	2.24
4	Jharkhand	46.72	4.48	1.5	2.98	0.89	45.83	8	37.83	24.9
5	Madhya Pradesh	34.89	-	-	-	-	34.89	8	26.89	11.7
6	Maharashtra	5	0.63	0.03	0.60	0.18	4.82	2	2.82	2.82
7	Manipur	0.105	-	-	-	-	0.105	0.2	-	-
8	Nagaland	0.19	-	-	-	-	0.19	0.2	-	-
9	Odisha	49.91	3.70	1.78	0.0	0.0	47.99	5	42.99	42.99
10	Rajasthan	0.2	0.24	0.22	0.02	0.01	0.19	0.05	0.14	0.14
<b>Total (Rs in Crs.)</b>		<b>303.87</b>	<b>127.86</b>	<b>51.22</b>	<b>19.52</b>	<b>5.85</b>	<b>269.29</b>	<b>49.5</b>	<b>221.95</b>	<b>171.55</b>

2. Ministry of Tribal Affairs (MoTA) to release the amount of Rs 40 Crore that has already been sanctioned to TRIFED for FY 2018-19 towards General and Capital expenditure. Also, MoTA to authorize TRIFED to utilize this sanctioned fund towards implementation of Van Dhan Mission.
3. Ministry of Tribal Affairs (MoTA) to authorize TRIFED to utilize the funds of Rs.5.67 Crore carried forward from the Capital heads of MPTDC sanctioned dated 30.03.2016 towards implementation of Van Dhan Mission.
4. For implementation of Van Dhan Mission as per proposed plan i.e. to establish 1500 Van Dhan Kendra and 420 pucca Kendra in 2018-19, the Ministry of Tribal Affairs (MoTA) to sanction and release an additional fund of Rs 82.43 Crore to TRIFED.

#### 4. Proposal for 2019-20

- As per the Van Dhan Mission, 1500 Van Dhan Kendra and 900 pucca Kendra are proposed to be established in 2019-20. For implementation of the Van Dhan Mission as per the proposed plan in 2019-20, an additional fund of Rs 391.53 Crore shall be required.
- In view of this the following is proposed:
  1. For implementation of Van Dhan Mission as per proposed plan in 2019-20, the Ministry of Tribal Affairs (MoTA) to sanction and release Rs 391.53 Crore to TRIFED.

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Government of India



# Van Dhan Mission

Tribal Cooperative Marketing Development Federation of India Ltd  
(TRIFED) Ministry of Tribal Affairs, New Delhi

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**Van Dhan Mission**

*"Van Dhan, Jan Dhan and Govardhan would be the basis for transforming the rural and tribal economy in the future".*

Hon'ble Prime Minister Narendra Modi  
at launch of pilot Van Dhan Vikas Kendra, Bijapur, Chhattisgarh, April 14, 2018

**1. The Vision**

- Van Dhan, Jan Dhan and Govardhan has the potential to change the tribal-rural economic system as emphasized by the Hon'ble Prime Minister Shri Narendra Modi during the launch of the pilot Van Dhan Vikas Kendra project at Bijapur District, Chhattisgarh.
- The tribal communities primarily depend on collection and sale of seasonal non-timber forest produces (NTFPs) for livelihood and income generation. Value addition to NTFPs at grass root can play an important role in increasing tribal incomes. In addition, this activity is particularly significant for financial empowerment of tribal women as most of the NTFPs are collected/ primary processed/used/sold by them.
- As a measure to support NTFP market development and ensuring fair returns to the tribal gatherers, the Ministry of Tribal Affairs (MoTA) has already been implementing Scheme on 'Mechanism for marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and development of Value Chain for MFP'. As a part of the Scheme, various skill up gradation trainings have been conducted for the NTFP gatherers. The training also provide demonstrative tool kits to the trainees for promoting adoption of scientific collection, harvesting and primary processing of NTFPs. It is deliberated that whereas trainings conducted have been intensive, however, outreach of such intervention remains limited in terms of beneficiaries impacted, sustainability and replicability at grassroot level beyond the trained critical mass.
- In consideration of the above, the existing 'training' component under the Scheme on MSP for MFP is proposed to be extended by adopting more comprehensive Cluster development approach. This implies going beyond offering new skills and effective tools (through training) and building capacities of NTFP gatherers as grassroot business clusters with a focus on value addition. Cluster based value addition approach shall enable the tribal gatherers to achieve economies of scale as well as collectively leverage their resources to have better access to public resources, linkages to credit and enhance their marketing competitiveness. The modalities to achieve such outcomes has to be undertaken in Mission Mode with well identified project targets, delineation of responsibilities, availability of budget and a robust monitoring mechanism.

**2. The Van Dhan Mission**

- Van Dhan Mission is an initiative targeting livelihood generation for tribals by harnessing the wealth of forest i.e. Van Dhan. The programme aims to tap into traditional knowledge & skill sets of tribals by adding technology & IT to upgrade it at each stage and to convert the tribal wisdom into a viable economic activity. The initiative shall provide enhanced livelihood to about 45 lakhs tribal gatherers/ artisans which is about 4.5% of the total tribal population in the country.
- The Van Dhan initiative shall promote and leverage the collective strength of tribals to achieve a viable scale to take on the predatory market forces in the areas where these are still prevalent.
- Proposition is to set-up tribal community owned Non-Timber Forest Produce (NTFP)-centric multi-purpose Van Dhan Vikas Kendras (the Kendra) in predominantly tribal districts. About 3000 Van Dhan Kendras are proposed to be set up in span of 2 years i.e. 1500 Kendras to be set-up in each year, which will be further continued based on



evaluation of their performance and also expanded every year.

**3. Essential Features of the Van Dhan Mission**

- The Kendras would act as common facility centres for procurement cum value addition to locally available NTFPs and skill based handicraft. Value addition of raw produce is expected to increase the share of tribals in the value chain to 50-60% (from the present share of 20-25%).
- A typical Van Dhan Vikas Kendra shall constitute of 10 tribal Van Dhan Vikas Self Help Groups (SHG), each comprising of upto 30 NTFP gatherers or tribal handicraft artisans i.e. about 300 beneficiaries per Kendra (subject to variability as per local conditions).
- The key features of the Van Dhan Kendra would be as follows:
  - The Van Dhan Vikas SHGs would belong to contiguous area, preferably in same or near-by villages.
  - At least 60% beneficiaries of the SHG shall be tribal and the SHG shall be led by a tribal member.
  - Preference to be given to convergence with functional SHGs promoted under Aajeevika Mission with majority tribal members<sup>1</sup>.
    - The endeavor would be to identify a cluster of 2-3 Aajeevika SHGs/ primary level societies/ collectives (as the case may be) operating preferably in the same or near-by villages as a Van Dhan SHG for the training and equipment supply.
    - Each Van Dhan SHG would be given a unique name although the Aajeevika SHGs within the Van Dhan SHG will continue to be identified by their respective Aajeevika SHG IDs.
    - The Aajeevika SHGs will also continue to use their Aajeevika bank accounts for working capital requirements for the purpose of Van Dhan operations. The Van Dhan SHG may also open a new bank account for this purpose in case the need is felt by the SHG members.
- The Technology component under the Mission will focus on optimization of human capital that will be the touchstone of the technology choice exercised.
- It shall also trigger setting-up of standards of quality and benchmarks for replication at each stage of value addition to NTFPs.
- Pricing of value added products will be market driven and would be derived based on contextual factors.

**4. Stages under Van Dhan Mission**

- **Composite Kendras shall be set-up through a 2-stage process – Stage I (set up) & Stage II (scale up).**
  - Stage I of the Van Dhan Mission shall be to set-up 3000 Temporary Initial (Ti) Van Dhan Kendras over a period of 2 years in tribal districts across all States (except Haryana, Punjab and Delhi, as these do not have Scheduled Tribe gatherers). During this phase the provision for required building infrastructure shall be established in one of the beneficiary's household or part of house or Government/ gram panchayat building.
  - Stage II of the Van Dhan Mission shall focus on scaling up the well performing Ti Kendras into permanent facilities with common infrastructure facilities i.e. building, storage, primary processing, packaging facilities etc

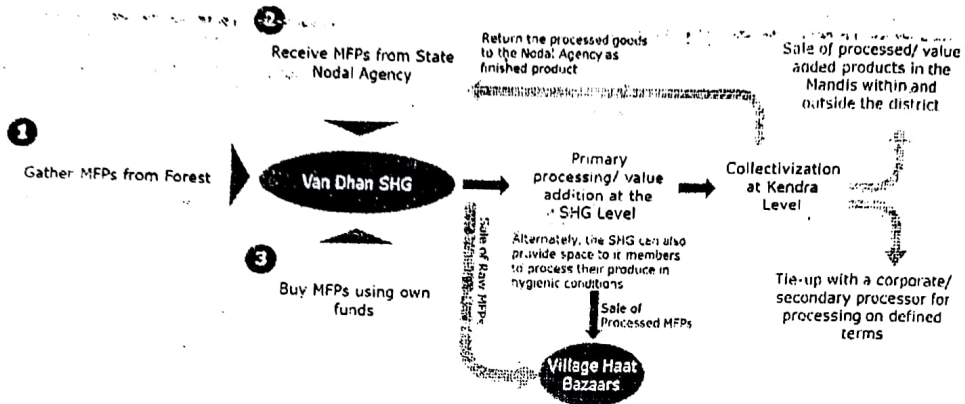
**Implementation of Stage I i.e. Setting up 3000 Van Dhan Kendras, would be carried out as follows:**

<sup>1</sup> TRIFED has a Memorandum of Understanding with Ministry of Rural Development to tap into its network of self-help groups under Aajeevika initiative.

- o The Van Dhan Mission is envisaged to be implemented through a unique 'cluster development' approach.
  - o **At unit level**, the Van Dhan SHG shall be primarily responsible for collection and aggregation of NTFPs from the nearby forests and undertaking primary level value addition at SHG level. Additionally, these SHGs may receive raw material from State Nodal Agency and return the processed goods to the Nodal Agency as finished product. The SHGs may also buy MFP from its own funds.
  - o This stage will involve primary value addition of MFP items through mechanical tools such as decorticators, sickle, secateurs, cutting tools, dryers, graders etc.
  - o Under the Mission, each Van Dhan SHG shall be supported with following facilities/ components:
    - Building/ infrastructure support to be established in one of the beneficiary's house/ part of house or Government/ gram panchayat building
    - Primary processing equipment/ tool kit comprising of equipment such as small cutting and sieving tools, decorticator, dryer, packaging tool etc. based on NTFPs available in the area
    - Facilitate training for a batch of 30 trainees on sustainable harvesting/ collection of NTFPs and value addition for all NTFPs available in the area and also training on traditional handicraft & handloom development. Provision for raw material for training purpose and supply of trainee kits
    - Facilitation and arrangement for working capital for the Van Dhan Vikas SHGs to be met through tie up with financial institutions, banks, NSTFDC etc.<sup>2</sup>
  - o **At cluster level**, the Van Dhan Vikas Kendra shall act as common facility centre. It shall facilitate linkages in both local and distant markets for sale of the processed/value added products produced by the Van Dhan SHGs.
  - o The Kendras may also enter into tie-ups with a corporate/ secondary processor on defined terms or may simply provide space to its members on custom hiring basis for processing of their produce in hygienic conditions. Besides, the Kendras shall also facilitate transportation and storage (on rental basis) on behalf of the SHGs for the NTFPs/ raw material and the processed products.
    - o The Kendra may be guided by State facilities like Kisan Call Centre, the State Government's Mandi Board web portal etc. to make strategic decisions based on market intelligence. TRIFED shall develop appropriate mechanisms for collection & disseminating information on daily market rates, including e-commerce avenues, to support the Kendra in this regard.
  - o Each Van Dhan Vikas Kendra shall be managed by a Managing Committee consisting of representatives of Van Dhan SHGs in the cluster.
  - o **Linkage with local Haat Bazaars:** The Van Dhan Vikas Kendras will be established around the catchment areas of the local haat bazaars, where the procurement of the MFPs shall be taken up under the MSP for MFP scheme.
- As per the estimation there are more than 10,000 Haats in the tribal areas. Within the provisions of the scheme of MSP for MFP, it is proposed to modernize these Haat Bazaars with permanent structure and facilities for storage, drinking water, shade, platform, weighing equipment and other tools etc. The modernisation of the Haat bazaars shall be taken up in a phased manner, along with the establishment of the Van Dhan Vikas Kendras.

<sup>2</sup> TRIFED already has an Memorandum of Understanding with NSTFDC to provide concessional financial assistance for procuring project related assets and working capital to TRIFED empaneled artisans through its State Channeling Agencies (SCAs)

Figure 1. Operating Model of a Van Dhan Kendra & Van Dhan SHGs



- o Notably, there exists a strong complementarity between the Aajeevika - National Rural Livelihood Mission (NRLM) of the Ministry of Rural Development (MoRD) and proposed Van Dhan Mission of Ministry of Tribal Affairs (MoTA) as both focus on pro-poor transformation through building of strong grassroots livelihood collectives. Concerted efforts shall be made towards tapping the network of all existing Scheduled Tribe (ST) Self Help Groups (SHGs) formed and/or revived under NRLM and consolidating them into Van Dhan SHGs at unit level and federated into Van Dhan Kendras at cluster level. Particularly for the North Eastern States, the existing network of SHGs promoted under regional rural livelihood developmental initiatives as North East Rural Livelihood Project<sup>3</sup> (NERLP) and North Eastern Region Community Resource Management Project<sup>4</sup> (NERCORMP) promoted by the Ministry of Development of North Eastern Region (DoNER) shall also be tapped.
- o Out of the total 3000 Van Dhan Kendras to be set-up, about 2100 Kendras (70 percent) are estimated to be converged from Aajeevika Mission and remaining 900 (30 percent) shall be mobilized.
  - Criteria for qualification of Aajeevika/DoNER SHGs for Van Dhan Vikas Kendras
    - The SHGs should comprise of MFP gatherers
    - The SHGs should have a minimum of 60% tribal members
    - The SHGs should be present in the catchment areas of the MFPs.
    - The SHGs selected through the Aajeevika network will be distinguishable from other through software generated unique numbers provided to them for monitoring purpose.

**Cost for establishment of the Van Dhan Kendra**

- o Cost per Van Dhan Vikas Kendra is estimated to be Rs 15 Lakhs.
  - The cost requirement is calculated at unit rate of Rs 1.5 lakhs per Van Dhan Vikas SHG for cluster of 10 such SHGs per Kendra
  - The cost mainly includes the cost of training (for a batch of 30 trainees for 4 days) and cost of equipment.
- o Van Dhan Mission is primarily a component of the scheme for MSP for MFP. Therefore, the above stated cost components should continue to be 100 percent

<sup>3</sup> North Eastern Rural Livelihood Project (NERLP) is an initiative to improve rural livelihoods, especially that of women, unemployed youths and the most disadvantaged, in four participating North Eastern States of Mizoram, Nagaland, Sikkim and Tripura. The initiative is supported by the Ministry of Development of North Eastern Region (DoNER) and the World Bank

<sup>4</sup> North Eastern Region Community Resource Management Project (NERCORMP) is a livelihood and rural development project aimed to transform the lives of the poor and marginalized tribal families in North East (NE) India. NERCORMP is a joint developmental initiative of the North Eastern Council (NEC), Ministry of DoNER, Govt. of India and International Fund for Agricultural Development (IFAD).

contributed at centre level under the budgetary allocation of training component of Scheme on MSP for MFP.

- o Additionally, the working capital requirement for Van Dhan Kendra is estimated to be Rs 10 Lakhs per Van Dhan Kendra.

- The working capital requirement is calculated at unit rate of Rs 1 lakhs per Van Dhan SHG for cluster of 10 such SHGs per Kendra.
- The requirement of working capital shall be met from excess corpus or raised from financial institutions as NSFTDC, SBI and other banks. As majority SHGs would be derived from on-going initiatives of Aajeevika, they are expected to be matured ones. Thus, an add-on facilitation of working capital may not be required for all Van Dhan SHGs and would be facilitated on need basis.

- o The cost break-up for each Van Dhan Vikas SHG is given below:

**Table 1. Cost per Van Dhan Kendra**

Sl. No.	Description of Expenditure	Total (Rs.)
<b>1</b>	<b>TRAINING &amp; FACILITATION EXPENSES</b>	
a.	Hiring of Master Trainers (2 No.s X Rs. 2000)	4,000
b.	Lodging and Boarding Charges for the Master Trainers	2,000
c.	Arrangement for training (such as training board, banners, posters, etc.)	1,000
<b>2</b>	<b>TRAINEE EXPENSES</b>	
a.	Wage compensation to the trainees/ members (30 trainees X 4 days x Rs. 150/ day)	18,000
b.	Food & Refreshment Expenses (Breakfast, Lunch, Tea / Snacks) (Rs. 100/ trainee/ day X 30 trainees X 4 days)	12,000
<b>3</b>	<b>ADVOCACY EXPENSES</b>	
a.	Advocacy materials, photography etc.	4,500
<b>4</b>	<b>COST OF RAW MATERIAL @ about 14 kg per person @Rs.20/- per kg</b>	8,500
<b>I</b>	<b>Total cost of training (excluding supply of toolkit)</b>	50,000
<b>II</b>	<b>TOOL KIT</b>	1,00,000
<b>III</b>	<b>Total cost for one batch (excluding working capital) (I+II)</b>	<b>1,50,000</b>
<b>IV</b>	<b>WORKING CAPITAL**</b>	<b>1,00,000</b>
	<b>Total Cost for setting up 1 Van Dhan Vikas SHG (III+IV)</b>	<b>2,50,000</b>
	<b>Cost for ten Van Dhan SHGs i.e. One Van Dhan Vikas Kendra (Rs. 2.5 lakhs x 10 SHGs)</b>	<b>Rs. 25.00 Lakhs including Rs. 10.00 Lakhs Working Capital.</b>

\* It may include tools and equipment such as decorticator, dryer, sieve, packaging machine, weighing scale, cutting tool, tarpaulin, etc. depending on the available MFPs in the area which would be processed by the SHG. Here, Rs. 1 lakh has been taken indicatively.

\*\* The working capital will include cost of hiring of storage space (both dry and/or cold), hiring of transportation of the products, cost of raw material, packaging material, travel for marketing, etc.

**Implementation of Stage II i.e. scaling up of the well performing Ti Kendras into permanent facilities, would be carried out as follows:**

The performance of Ti Van Dhan Kendras set up under Stage I shall to be assessed on half-yearly basis (i.e. after 4-6 months of Kendra establishment).

- o Assessment of respective Kendras shall be performed by District Level Coordination and Monitoring Committee (DLCMC) and finalized by State Level Coordination and Monitoring Committee (SLCMC). Based on the assessment, the District Collector shall submit a proposal for sanction of permanent Kendra by Ministry of Tribal Affairs (MoTA). The assessment shall also be with regard to their activities and financial viability, for which a banking institution may also be associated.
- o The selected Kendras shall be supported with permanent facilities for common infrastructure including as permanent building infrastructure, warehouse, storage facility, primary processing, packaging facilities and other ancillary support etc.
- o The infrastructure so developed would be owned by the Gram Panchayat in which the Van Dhan Kendra is located.
- o The technologies developed under Research and Development initiatives undertaken by TRIFED will facilitate strengthening the primary and secondary processing facilities of the permanent Kendras. List of some of the technologies developed / being developed are attached in the Annexure.

#### **Cost for establishment of permanent Kendra**

- o Cost per permanent Kendra is estimated to be Rs 20 Lakhs and is proposed to be contributed in ratios of 75:25 percent by both Centre and State, respectively. Efforts shall also be made to tap CSR funds available with PSUs/ private sector firms. Note that this cost excludes the working capital requirements for the Kendra, which shall be met from financial/ banking institution.

**Table 2. Cost per permanent Van Dhan Kendra**

<b>Cost Component</b>	<b>Amount (in Rs)</b>
Procurement of land (To be provided by the State Government)	Nil
Cost of Land development including fencing and gate	Rs 3 Lakhs
Construction of building	Rs 12 Lakhs
Add-on infrastructure/ equipment requirement	Rs 3 Lakhs
Procurement/ Hiring of vehicle (on sharing basis between 10 Kendras)	Rs 2 Lakhs
<b>Total</b>	<b>Rs 20 Lakhs</b>

#### **5. Standards**

- The Van Dhan Initiative intends to clearly layout the necessary conditions for improving and assuring the overall quality of NTFP produce (including value added products) by benchmarking of various levels of proficiency for selected commodities, as per established standards.
- The tribal gatherers/ SHG members and artisans shall adhere to the minimum required standards in terms of product quality and hygiene to ensure its longevity, color/ durability, replicability of product and processes etc. thereby enhance product acceptance by buyers, both domestic & overseas and keep them technologically abreast of best practices.
- An illustrative product-wise standards to be promoted in the Van Dhan Vikas Kendras are provided in Annexure-I.

#### **6. Phases & Timelines**

- A Quarterly phased approach is proposed to be adopted for implementation of the Van Dhan Mission.

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- Over the next 2 years, the targeted number of 3000 Ti Van Dhan Vikas Kendras (Stage I) and scaling up of well performing Kendras into permanent facilities (Stage II) is proposed to be achieved indicatively as follows:

Table 3. Indicative phase-wise Van Dhan Kendra to be set up & scaled up in 2 years (Value in Nos.)

Timeline →	Year 1					Year 2					Grand Total (In Nos.)
	Q1 Phase 1	Q2 Phase 2	Q3 Phase 3	Q4 Phase 4	Sub-Total	Q1 Phase 1	Q2 Phase 2	Q3 Phase 3	Q4 Phase 4	Sub-Total	
Stage I: Setting-up of Ti Van Dhan Vikas Kendra	300	400	400	400	1500	300	400	400	400	1500	3000
Stage II: Scaling up to permanent Kendra*			180	240	420	240	240	180	240	900	1320

\*Notes to Table 3:

- As mentioned earlier, preferably the already existing network of tribal SHGs promoted under Aajeevika Mission shall be tapped for formation of majority of Van Dhan Vikas SHGs. Wherever required, the tribals shall be mobilized to form new Van Dhan Vikas Self Help Groups. In such a scenario, the operational progress and developmental levels of different SHGs and the constituting Kendras shall vary from one another. Therefore, all of the 3000 Kendras targeted to be set up under the Mission may not be transformed into permanent Kendra in the given limited timeframe.
- As majority of Van Dhan SHGs are proposed to be derived from already established network of SHGs promoted under Aajeevika mission, the rate of success of Kendras set up under Stage I to turn into pucca Kendra is assumed at 60 percent. Therefore out of the of total 3000 No. of Kendras to be set up in 2 years, about 1800 Kendras (i.e. 60% of the total) shall be supported with permanent facilities, subject to assessment of half yearly performance of such Kendra.
- Note that the above table is indicative of the number of facilities to be set up and scaled up in 2 years. About 1320 Kendra are proposed to be scaled up to permanent facilities by the end of 2nd year. The remaining 480 Kendra (out of 1800 Kendra) shall be taken up for scale up in the subsequent years.

**Stage I: Establishment of 3000 Van Dhan Kendras (Phases & Timelines)**

- Aligned with the policy to trigger the rapid transformation of 115 Aspirational districts, initial emphasis of the Mission shall be to set-up the Van Dhan Kendras in the aspirational districts with majority tribal population<sup>5</sup>. A total of 39 aspirational tribal districts have been identified (Annexure II). The setting-up of the Kendras would then be gradually scaled up to other Districts/States in order of percentage of tribal population and assessment of availability of NTFPs with potential for value addition.
- The District-wise number of Van Dhan Vikas Kendra to be set-up has also been derived based on TRIFED's consultation with the State & District level implementing agencies with regard to the district-wise capacities to host such facilities.
- Accordingly, the tentative State-wise quarterly action plan to set-up the 3000 Van Dhan Kendra is as proposed below (in order of Aspirational Districts and percentage of tribal population). District-wise indicative details are provided in the Annexure III.

Table 4. Indicative Quarterly and Phase-wise establishment of 3000 Van Dhan Kendras (Stage I)

Year/ Quarter (No. of Districts)	Proposed No. of Van Dhan Kendras (in Nos.)	Proposed No. of Van Dhan SHGs (in Nos.)	Van Dhan SHGs from Aajeevika Mission (in Nos.)	New mobilization required - No. of Van Dhan SHGs (in Nos.)	Est. Fund requirement calculated at Rs 15 lakhs per Kendra (Rs. in Cr)
Q1 (20)*	300	3000	2366	634	45

<sup>5</sup> Tribal aspirational districts are the districts with majority tribal population i.e. districts with more than 50% ST population and/ or districts with 2 or more blocks having 50% or more ST population.

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Year 1	Q2 (19)* (4)	400	4000	3602	398	60
	Q3 (32)	400	4000	1397	2603	60
	Q4 (19)	400	4000	3653	347	60
<b>Sub-Total I (94)</b>		<b>1500</b>	<b>15000</b>	<b>11018</b>	<b>3982</b>	<b>225</b>
Year 2	Q1 (20)	300	3000	2524	476	45
	Q2 (38)	400	4000	2473	1527	60
	Q3 (55)	400	4004	3169	835	60
	Q4 (43)	400	3996	1980	2016	60
<b>Sub-Total II (156)</b>		<b>1500</b>	<b>15000</b>	<b>10146</b>	<b>4854</b>	<b>225</b>
<b>TOTAL (250)</b>		<b>3000</b>	<b>30000</b>	<b>21164</b> (70%)	<b>8836</b> (30%)	<b>450</b>

The starred (\*) no. of District implies that Kendras would be set-up in Aspirational district with majority tribal population.

- To summarize the coverage of Van Dhan Kendras and livelihood generation thereof:
- o 27 States (excluding Haryana & Punjab where no Scheduled Tribes are notified)
  - o 250 districts with majority tribal population (including 39 aspirational tribal)
  - o 3000 Van Dhan Vikas Kendra (over 2 years)
    - 2100 (about 70%) to be converged from Aajeevika Mission
    - 900 (about 30%) new mobilization required
  - o 9 Lakh tribal families (3000 Kendra X 10 Van Dhan SHGs per Kendra x 30 members per SHG)
  - o 45 Lakh tribal individual assuming tribal family size of minimum 5 members

**Stage II: Scaling up of the well performing Kendras into pucca facilities**

- The State and District specific targets for scaling up of the well performing Kendra into pucca facilities shall be subject to review and assessment of half-yearly performance of the Van Dhan SHGs/ Kendras in respective regions. The assessment of respective Kendra shall be conducted by District Level Coordination and Monitoring Committee (DLCMC) and finalized by State Level Coordination and Monitoring Committee (SLCMC). Based on the assessment, the District Collector shall submit the proposal for sanction of pucca Kendra by Ministry of Tribal Affairs (MoTA).
- As majority Van Dhan SHGs (forming the Kendra) would be mobilized through existing network of SHGs under Aajeevika, the rate of success of Ti Kendras scaling up into permanent facilities (Stage II) is assumed at 60 percent of total (3000 Kendras).

Table 5. Quarterly & Phase-wise scaling up of Van Dhan Kendras into pucca facilities (Stage II)

Timeline →	Year 1					Year 2					Grand Total (in Nos.)
	Q1 Phase 1	Q2 Phase 2	Q3 Phase 3	Q4 Phase 4	Sub-Total	Q1 Phase 1	Q2 Phase 2	Q3 Phase 3	Q4 Phase 4	Sub-Total	
Scaling up to permanent Kendra (in Nos.)			180	240	420	240	240	180	240	900	1320
Fund Requirement (Rs. in Cr)			36	48	84	48	48	36	48	180	264

- Of the remaining 40 percent Van Dhan Kendra set up under Stage I, a fund of Rs 5 lakhs per Kendra (i.e. Rs 50,000 per Van Dhan Vikas SHG) is proposed as a separate budget line towards resurrection of at least 50% bonafide failure/ weak performers (refer to table 6)

**7. NTFP Resource Mapping**

- Presently 23 NTFPs are covered under the MSP for MFP Scheme with effect from 21.11.17 as follows:

- |                              |                                    |
|------------------------------|------------------------------------|
| 1. Tamarind with seed        | 13. Neem Seed                      |
| 2. Tamarind de-seeded        | 14. Puwad Seed                     |
| 3. Honey                     | 15. Baheda                         |
| 4. Gum Karaya                | 16. Hill Broom Grass               |
| 5. Karanj Seed               | 17. Shikakai                       |
| 6. Sal Seed                  | 18. Guggul                         |
| 7. Mahuwa Seed               | 19. Bael (dried and without crust) |
| 8. Sal Leaves                | 20. Nagarmotha                     |
| 9. Chironjee Pods with seeds | 21. Shatavari (dried)              |
| 10. Myrobalan                | 22. Madhunashini                   |
| 11. Rangini Lac, Kusumi Lac  | 23. Kalmegh                        |
| 12. Kusum Seed               |                                    |

- While the above MFPs shall be covered under the initiative i.e tamarind, mahua flower, mahua seed, hill broom, chironjee, honey, sal seed, sal leaves, etc, other potential items available in the area shall also be covered like bamboo split, myrobalan, mango (amchur), aonla (churan/candy), seed lac, tez patta, black pepper, turmeric, dry ginger, cinnamon, sea buckthorn tea, etc. Apart from these, any other MFP with potential for value addition may be included. An indicative list of State-wise major NTFPs and a detailed indicative list of district-wise NTFPs which may be covered under the initiative is provided in the Annexure IV
- **Besides the above the Kendra shall also be equipped to undertake activities related to development of Handicrafts and handlooms, traditional to the area. However, this will not be their primary activity.**
- It is of utmost importance that the above stated NTFP resources are mapped and an estimate of abundance and extraction is developed. Accordingly, strategies may be evolved for sustainable management of over/under harvested resources. So far, such an exercise has never been carried out at national level due to the innate complexities and therefore accurate estimates of resource areas and availability are not present. In this context, a national level baseline survey of MFPs and study on Natural Resource Survey is proposed to be conducted as a part of overall programme implementation.
- To begin with, the current list has been prepared based on secondary data/ information available from various sources complemented with experience based inputs from central and regional offices of TRIFED. During the programme implementation phase, the district wise availability of these NTFPs along with tradable quantities (tonnage) shall have to be verified through concerned divisions/offices at State and district level such as District Collectors, State level implementing agencies, forest departments etc.

## 8. Institutional Mechanism

- Van Dhan Mission is primarily a Component under the Scheme for Minimum Support Price (MSP) for Minor Forest Produces (MFP) with Value addition component of the Scheme proposed to be taken up in Mission mode to provide enhanced livelihood and income generation for tribal.
- The Ministry of Tribal Affairs (MoTA), Government of India shall be the nodal Ministry for operationalizing the Van Dhan Mission (as in Scheme for MSP for MFP) and TRIFED shall to be the Nodal Agency at the National Level. TRIFED will continue to implement and monitor the Mission through the State Nodal and Implementing Agencies. All funds shall be released and routed through TRIFED which will develop a robust online monitoring system.
- The roles and responsibilities of key stakeholders is detailed as under:

### Role of the Ministry of Tribal Affairs (MoTA):

- Nodal and administrative Ministry for operationalization of the Van Dhan Mission
- Responsible for policy formulation and decision making
- Provisioning of finance/ budgetary allocation to TRIFED



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- o Release of funds through Ministry to respective agencies including TRIFED as per Budget allocation.
- o Periodic review and monitoring the performance of the designated State Agencies in association with TRIFED

Role of **TRIFED**:

- o Responsible for Scheme implementation through State Agencies.
- o Identify other sources for funding and creation of corpus of grants to be utilized for establishment of Van Dhan Vikas Kendras.
- o Pitch and motivate the leading corporate houses and CPSUs to provide funds under their CSR.
- o Facilitate tie up with financial institutions, banks, NSTFDC etc. to provide working capital to the Kendras.
- o Development of an Advocacy Plan for the Van Dhan Kendras/ Provisioning of third party monitoring and progress review.
- o Assist MoTA in periodic review and monitor the performance of the designated State Agencies.

Role of the **State Nodal Department/ State Implementing Agency**:

- o Submission of action plan to TRIFED for sanction.
- o Delegation of administrative and financial power to District Collector for setting up of Van Dhan Kendra.
- o Sanction of funds to the District Collectors.
- o Acting as a fast track single window agency to facilitate clearances and permissions required for the establishment of the Van Dhan Vikas Kendra.
- o Dovetailing of assistance available under various other schemes of Central and State Governments, to Van Dhan Vikas SHGs/ Kendra aimed at improving the viability of created facilities.
- o Notify the Kendras to be deemed cottage industry, eligible for all benefits available to cottage industries.
- o Responsible for implementation, supervision and monitoring of the Scheme through the State Level Coordination and Monitoring Committee (SLCMC) under Chairmanship of Chief Secretaries for monitoring the Scheme at State and Local level.
- o To submit half-yearly fund Utilization Certificates (UCs) to TRIFED based on the reports received from the District Collectors.
- o To submit district wise Completion Certificates (CCs) and outcome reports to TRIFED based on the reports received from the District Collectors.

Pivotal role of the **District Collector**:

- o Identification & selection of beneficiary SHGs and formation of cluster
- o Identification of catchment area for Van Dhan Vikas Kendra and its linkage with the development of haat bazaars
- o Conduct training programmes for NTFP gatherers and tribal handicraft artisans on value addition, marketing, accounting, product holding, business decision making etc.
- o Identification of suitable space including government buildings, gram panchayat buildings, houses of members etc. for use as Kendra.
- o Subsequently, once the unit stabilizes, identify and provide land for the Kendra at a strategic, secure free of cost land in the village for setting up of pucca Kendra
- o Documentation of risk factors and implementation of risk mitigation strategies/plans
- o Overall monitoring of the establishment and functioning of the Van Dhan Vikas SHGs and Kendras in the district
- o Heading the District Level Coordination and Monitoring Committee (DLCMC) for monitoring the Scheme at Local level.

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- o To submit half-yearly reports on utilization of funds to the State Implementing Agency.
- o To submit Completion and outcome reports to the State Implementing Agency.

**Role of Van Dhan SHGs i.e. the NTFP Gatherers/ tribal handicraft artisans:**

- o Sustainable harvesting and collection of MFP from forested area. Also, purchase of MFPs from Mandi using own funds / procurement from State Nodal Agencies as per requirement.
- o Owning and operating of Van Dhan Vikas SHGs by forming a SHG.
- o Aggregation & primary processing of MFPs and/ or handicraft production at Van Dhan Vikas SHGs.
- o Management of common facilities at the Van Dhan Vikas Kendra by forming a Managing Committee consisting of representatives of various linked Van Dhan Vikas SHGs in the cluster.
- o Marketing of produce within, around and outside the district.
- o Arrangements for tying up for transportation, warehouse, cold storage facilities for the products, as per requirement.

**Saving Clause:**

In the eventuality of any Kendra becoming defunct for reasons whatever, the assets created with their fund shall get vested in the State Implementing Agency.