



TRIBAL COOPERATIVE MARKETING DEVELOPMENT FEDERATION (TRIFED)
MINISTRY OF TRIBAL AFFAIRS, GOVERNMENT OF INDIA
NCUI Building, Khel Gaon Marg, 3 Siri Institutional Area, Hauz Khas, New Delhi, Delhi – 110016

Ready Reckoner for the Implementation of Van Dhan Yojana

Essential features as per Scheme Guidelines

1. A typical Van Dhan Vikas Kendra constitute of **15 tribal Van Dhan Vikas Self Help Groups (SHGs)**, each **comprising upto 20 MFP gatherers** i.e., **about 300 beneficiaries per Kendra** (subject to variability as per local conditions)
2. **VDY is a Tribal Entrepreneurship model**, in which preference is given to those Gatherers groups forming VanDhan SHG contributing **Minimum Working Capital of Rs.20,000 per 20 member groups** (Rs.3 Lakhs for 300 Member cluster of VanDhan Vikas Kendras -VDVK). There are several functional SHGs which are engaged in MFP collection like Custard Apple, Wild Ginger, Jackfruit etc. which are currently not part of the MFP list under MSP program. These tribal groups (engaged in value addition of such MFPs) who are committed to invest in working capital are also to be considered for inclusion in VDY. Such inclusion would help sustain the VDVK throughout the year therefore the gatherers shall be at liberty to add other items available.
3. **The VDY is not limited to gathering NTFPs from forest and value addition.** The Scheme allows SHGs to engage in farming, agriculture production and post-harvest processing and value-addition of these items. Such flexibility as required on case-by-case shall be approved by District Level Coordination and Monitoring Committee in respect of District Implementing units receiving funds directly from TRIFED OR State Nodal Department for state-wide approval in the case of State Implementing Agency receiving funds from TRIFED.
4. **Cost for establishment of the Van Dhan Kendra**
 1. The cost requirement is calculated at unit rate of **Rs.1 Lakh per Van Dhan Vikas SHG for cluster of 15 such SHGs per Kendra**. The cost mainly includes the cost of training (for a batch of 20 trainees for 4 days) and cost of the equipment.
 2. However, Agencies who have received funds from TRIFED, at the implementation stage, shall have flexibility with respect to Expenditure heads to tackle various ground level exigencies.
 3. Given that these existing SHGs have been trained or are having already installed equipment, the Scheme offers flexibility in terms of nature of expenditure proposed. The grant may be utilized for any/all of the following components :

- Additional toolkit & Equipment's
- Training of Members, Raw material costs for training
- Additional Working Capital (over and above SHG's own corpus)
- Transportation & handling cost,
- Storage cost
- Others justified and reasonable expenses (like packaging, branding, etc) as approved by DLCMC or State Nodal Department.
- Such flexibility as required on case-by-case shall be approved by District Level Coordination & Monitoring Committee (DLCMC) in the case of District implementation Unit (DIU) receiving funds directly from TRIFED OR State Nodal Department for State-wide approval in the case of State Implementation agency receiving funds from TRIFED.
- Prior approval shall be taken for such heads of expenditure and budgeted amounts for each VDVK case by case from competent authority as above.
- The total amount approved for a 20 member SHG shall be limited to Rs.1 Lakh only in accordance with the Guidelines. Any Group having less than 20 members, proportionate amount only shall be released. (For example, 10 member SHG will get Rs.50,000 against their own Working Capital investment of Rs.10,000). DLCMC and State Nodal Department may suitably approve the procedures.

5. The process for disbursement of grant of Rs.1 Lakh per VanDhan SHG shall be as per following procedure:

- In cases, where State Implementation Agency (SIA) has received funds from TRIFED, the SIA shall process the payments for admissible pre-approved heads of expenses by the State Nodal Department.
- In cases where TRIFED has disbursed the funds to District Implementation Unit, such approvals shall be taken from the "District Level Coordination and Monitoring Committee (DLCMC)
- State Implementing Agency/District Implementing Units shall submit the Utilization certificate to TRIFED, as the case may be.

6. Monitoring of PMVDY

Reporting of operations of Van Dhan Self Help Groups (SHGs) and Van Dhan Vikas Kendras (VDVKs) which are funded by TRIFED shall be closely monitored by District Collectors (DIUs) OR State Implementation Agencies (SIAs) under information to State Nodal Departments. TRIFED shall be establishing a centralized Web and Mobile application for the same. In the initial stage, the spreadsheet-based dashboard (already shared with all nodal officers of SIA or DIUs) will be used for monitoring progress with Post sanction activities.

Step by Step Operational Procedure of VDY

1. **Identification of Beneficiaries & SHG Formation** by District Implementation Agency.

2. Initial Introduction of the scheme of Van Dhan Yojana to the Identified Beneficiaries.
3. Advocacy Workshop at District/Village level.
4. **Survey of Van Dhan beneficiaries** and uploading relevant data on the Van Dhan Software.
5. **Implementation Stage.** -Setting up of VDVK - provision for required building facilities shall be established in one of the beneficiary's household or part of house or Government/ Gram panchayat building etc.
6. **Identification/Selection of VDVK leader and Managing Committee/Office bearers** for managing activities of the VDVK and **opening of Bank A/Cof VDVK.**
7. Identification of MFPs/forest items for undertaking Van Dhan activities.
8. **Identification and Supply of Equipment & Commencement of Training** -The District Implementation Unit in respective states to provide for each Van Dhan Vikas SHG with basic **equipment /Tool Kit** and **imparting training**for harvesting and value addition of MFPs and other forest items.
9. **Preparation of business plans**-The VDVKs to develop business plan for the allocation of funds for the processing, value addition, branding and packaging of products matching to the world export and retail standards.Besides MFPs the Business Plan may include Agri based item, medicinal plants cultivation, Floriculture etc also as the technical support and inputs for the same are also available from convergence partners. The VDVKs shall also make proper transportation and Warehousing arrangement for storage of these products.
10. **Implementation of Business plan by undertaking value-addition activities, packaging, branding-** After imparting training or otherwise, the members of the Van Dhan Vikas SHG shall procure forest items and undertake value-addition activities for production of various value-added products as decided earlier. Thereafter, the same shall be packed in attractive Retail Packaging with proper branding, etc.
11. **Marketing**–The VDVKs shall market the same locally or through other existing offline and online Stores, including E-Marketplace being launched by TRIFED. The VDVKs shall also make advance Tie-ups for sale of value-added products.
12. **Maintenance of VDVK records**-The VDVKs shall maintain proper records, including financial documents relating to running of the VDVK. All records/documents to be uploaded on the Van Dhan Software.
13. **VDY Scale-up** -In the second stage VDVKs shall focus on scaling up the well performing Kendras into pucca facilities with enhanced facilities i.e. storage, primary processing, packaging facilities etc. 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 to TRIFED.
14. **Van Dhan Phase II** – In order to make VDVKs, a round the year enterprise to provide livelihood support to the beneficiaries, TRIFED has forged convergence with schemes of other Departments/Organisations like CSIR (Floriculture), ICAR (Agriculture), NMPB (Medicinal Plants cultivation), MoFPI (Food Processing), MSME (SFURTI), IIT Delhi Unnat Bharat Abhuyan 9Capacity building/ handholding) etc. . These convergences will support different facets of establishing enterprises and make it round the year economic activity of the Van Dhan beneficiaries.

