

NINETEENTH REPORT
STANDING COMMITTEE ON SOCIAL JUSTICE AND
EMPOWERMENT
(2006-2007)

(FOURTEENTH LOK SABHA)

MINISTRY OF TRIBAL AFFAIRS

Action taken by the Government on the Recommendations/Observations contained in the Tenth Report of the Standing Committee on Social Justice and Empowerment on the subject “Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for Minor Forest Produce (MFP) Operations” of the Ministry of Tribal Affairs.

Presented to Lok Sabha on 30.11.2006

Laid in Rajya Sabha on 30.11.2006



LOK SABHA SECRETARIAT
NEW DELHI

November, 2006/Agrahayana, 1928 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND
EMPOWERMENT(2006-2007)**

Smt. Sumitra Mahajan - CHAIRPERSON

MEMBERS
LOK SABHA

2. Mohd. Shahid Akhlaque
3. Shri Mahaveer Bhagora
4. Shri Eknath M. Gaikwad
5. Shri Loganathan Ganesan
6. Shri Tek Lal Mahato
7. Dr. Babu Rao Mediyam
8. Shri Kailash Meghwal
9. Shri Rupchand Murmu
10. Shri Jual Oram
11. Smt. Pratibha Singh
12. Shri Lalit Mohan Suklabaidya
13. Smt. Krishna Tirath
14. Smt. Usha Verma
15. Vacant
16. Vacant
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

MEMBERS
RAJYA SABHA

22. Shri Silvius Condpan
23. Shri Mahmood A. Madani
24. Dr. Narayan Singh Manaklao
25. Dr. Radhakant Nayak
26. Shri Abdul Wahab Peevee
27. Shri Dharam Pal Sabharwal
28. Shri Veer Singh
29. Ms. Anusuiya Uikey
30. Shri Nand Kishore Yadav
31. Vacant

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu - Additional Secretary
2. Shri A.K. Singh - Joint Secretary
3. Shri R.K. Saxena - Deputy Secretary
4. Shri Bhupesh Kumar - Under Secretary
5. Km. M.Tunglut - Sr. Executive Assistant

INTRODUCTION

I, the Chairperson of the Standing Committee on Social Justice and Empowerment having been authorised by the Committee to submit the Report on their behalf, present this Nineteenth Report on the action taken by the Government on the recommendations/observations contained in the Tenth Report of the Standing Committee on Social Justice and Empowerment (Fourteenth Lok Sabha) on the subject "Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for Minor Forest Produce (MFP) Operations" of the Ministry of Tribal Affairs.

2. The Tenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 12 December, 2005. The Ministry of Tribal Affairs furnished their replies indicating action taken on the recommendations contained in that Report on 22 August, 2006. The Report was considered and adopted by the Standing Committee on Social Justice and Empowerment at their sitting held on 23rd November, 2006.

3. An analysis of the action taken by Government on the recommendations contained in the Tenth Report of the Standing Committee on Social Justice and Empowerment (Fourteenth Lok Sabha) is given in **Appendix**.

4. For facility of reference recommendations/observations of the Committee have been printed in thick type in the body of the Report.

5. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

New Delhi:
23 November, 2006
2 Agrahayana, 1928 (Saka)

SUMITRA MAHAJAN,
Chairperson,
Standing Committee on
Social Justice and
Empowerment

CHAPTER-I

REPORT

1.1 This Report of the Standing Committee on Social Justice and Empowerment deals with the action taken by the Government on the recommendations/observations contained in the Tenth Report of the Standing Committee on Social Justice and Empowerment (Fourteenth Lok Sabha) on the subject "Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for Minor Forest Produce (MFP) Operations" of the Ministry of Tribal Affairs.

1.2 The Tenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 12 December, 2005. It contained 21 recommendations. Replies of Government in respect of all the recommendations have been examined and are categorised as under:

- (i) Recommendations/Observations which have been accepted by the Government:
Paragraph Sl. Nos. 3, 5, 6, 7, 9 and 20

(Total 6 - Chapter II)
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:
Paragraph Sl. Nos. 2, 11, 12, 13 and 18

(Total 5 - Chapter III)
- (iii) Recommendations/Observations, in respect of which replies of the Government have not been accepted and have been commented upon by the Committee in Chapter I:
Paragraph Sl. Nos. 4, 15, 17 and 19.

(Total 4 - Chapter IV)
- (iv) Recommendations/Observations in respect of which replies of the Government are interim in nature:
Paragraph Sl. Nos. 1, 8, 10, 14, 16 and 21

(Total 6 - Chapter V)

1.3 The Committee desire that action taken notes on the recommendations contained in Chapter-I and final action taken notes in respect of the recommendations contained in Chapter -V of this Report may be furnished to them at the earliest and in any case not later than three months of the presentation of the Report.

1.4 The Committee will now deal with the action taken replies of the Government which need reiteration or merit comments.

A. NON RELEASE OF FUNDS BY STATE GOVERNMENTS TO THEIR TRIBAL DEVELOPMENT COOPERATIVE CORPORATIONS ON TIME

Recommendation (Sl. No. 4, Para No. 1.30)

1.5 The Committee had noted that during 2005-06 the overall budgetary allocation of the Ministry had been enhanced by more than Rs. 352 crore. However, out of the enhanced allocation, Rs.230 crore had been earmarked exclusively for development of forest villages and Rs. 50 crore for providing irrigation facilities in tribal areas. Also, allocation under the Post Matric Scholarship Scheme had been increased due to enhanced rates of scholarship. As a result, allocation under other schemes including the schemes of STDCCs had either been kept at par with 2004-05 or had been reduced. The Committee had further noted that though the demand for funds from the States was larger than the allotment under the scheme, the inter-scheme allocations were made on the basis of the allocations given by the Planning Commission to the Ministry. The Committee had further noted that in some cases even the funds released by the Ministry under the scheme were released by the State Governments to their Corporations in a delayed manner. The Committee were of the view that grants-in-aid for STDCCs Scheme should be enhanced adequately to cover the potential of MFPs in States and make them financially viable. The Committee had, therefore, recommended that the Ministry should approach the Planning Commission to give due priority to the STDCCs Scheme by allocating more funds specifically for Corporation's scheme within the overall budgetary allocations of the Ministry. The Committee had desired that the Ministry should ensure that the grants-in-aid released to the States are actually utilized for procurement of minor forest produce. The Committee had also urged the Ministry to pursue with the States to provide funds to their Tribal Development Cooperative Corporations without any delay as well as submit proposals complete in all respects and utilization certificates of earlier funds released to them in time and regularly.

1.6 In the action taken note furnished to the Committee, the Ministry have stated that as in the past, in future also the Ministry would take up with the Planning Commission the matter of enhancement of the allocation under the Scheme during the 11th Five Year Plan.

1.7 Insofar as the current year (2006-07) is concerned, as against the BE 2005-06 of Rs.10.80 crore for MFP, the Planning Commission has allocated a higher amount for the year in BE 2006-07, namely Rs.16 crore.

1.8 The Committee note with concern that the Ministry have not taken any action to address the problem of non release of funds by the State Governments to their Tribal Development Cooperative Corporations on time and to ensure that the grants-in-aid released to the States are actually utilized for procurement of minor forest produce. Also, the Ministry have not mentioned about the steps taken to pursue the States to submit proposals complete in all respects along with the utilization certificates of funds released in previous years. The Committee, therefore, reiterate their earlier recommendation and urge the Ministry to vigorously pursue the State Governments to release the grants under the STDCC scheme to their Tribal Development Cooperative Corporations without any delay and also ensure that the funds released are actually utilized towards MFP operations. The States may also be persuaded to send adequate number of proposals complete in all respects along with the utilization certificates of releases made in previous years in time and regularly.

B. MARKETING SUPPORT FOR MINOR FOREST PRODUCE

Recommendation (Sl. No. 15, Para No. 2.29)

1.9 During their on-the-spot study visit to Adilabad in November, 2004 the Committee had observed that the tribals were getting very low price for their MFP, though the same was being sold at a much higher price in the open market. The tribal collectors of MFPs

were not getting any subsidy or marketing support. The Committee were not happy with the situation and had desired that the State Governments or its Corporations should provide adequate marketing support to the tribals and take steps to ensure that they are able to reap the full benefits accruing from the sale of MFPs. The Committee had, therefore, urged the Ministry to take stringent steps to minimize the role of Private Traders in the MFP market and ensure maximization of returns to the Scheduled Tribes.

1.10 The Ministry of Tribal Affairs, in their action taken reply have stated that they had brought to the notice of the State Governments the recommendations/observations of the Hon'ble Committee for necessary action.

1.11 The Committee are constrained to note that the Ministry have not given due consideration to their recommendation for providing adequate marketing support to the tribals and also minimizing the role of private traders in the MFP market. The Ministry have simply brought to the notice of State Governments the recommendation/observation of the Committee for necessary action. The Committee are of the view that the Central Government should take initiative and pursue the State Governments/STDCCs to take concrete steps for providing marketing support to the tribals collecting the minor forest produces so that they could reap the benefits accruing from the sale of MFPs otherwise they will continue to be exploited by the private traders. The Committee, therefore, strongly reiterate their earlier recommendation and urge the Ministry to take up with the State Governments at the highest level the issue of providing adequate marketing support to the tribals for their minor forest produces and also to minimize the role of private traders in MFP markets.

C. RESEARCH AND DEVELOPMENT ACTIVITIES RELATING TO MINOR FOREST PRODUCE

Recommendation (Sl. No. 17, Para No. 3.15)

1.12 The Committee had noted with regret that most of the STDCCs are not having the facility of Research and Development for enhancing the quality of MFPs, which

would commensurately enhance the marketability of MFPs. Only two State bodies i.e. Girijan Cooperative Corporation, Andhra Pradesh and Gujarat State Forest Development Corporation had involved themselves in Research and Development works. The Committee were of the view that the tribals depending on MFP would be able to derive maximum income through marketing of their minor forest produce only after refining the quality and value addition of the MFPs and had desired that the STDCCs should focus on Research and Development to enhance the marketability of the MFPs. The Committee had, therefore, recommended that the Ministry should render financial assistance to augment the Research and Development efforts of STDCCs through increased budgetary allocation so that income derived from MFPs may be adequately enhanced. The Committee had also desired that TRIFED should provide assistance to STDCCs in setting up Research and Development Centres for value addition activities of MFPs and maintaining strict quality control norms and also to ensure that their products are viable in the competitive market.

1.13 In the action taken note furnished to the Committee, the Ministry have stated that the recommendations of the Hon'ble Committee have been noted for compliance. The Scheme of '*Grants-in-aid to STDCCs for MFP Operations*' being implemented by the Ministry already provides for financial assistance for research and development activities to be undertaken by STDCCs. TRIFED also has its own R&D Centre for MFP products.

1.14 The Committee had recommended that the Ministry should render financial assistance to augment the research and development efforts of STDCCs through increased budgetary allocation. The reply of the Ministry that the scheme of '*Grants-in-aid to STDCCs for Minor Forest Produce Operations*' being implemented by them already provides for financial assistance for research and development activities to be undertaken by STDCCs is not at all convincing to the Committee as only two State bodies, i.e. Girijan Cooperative Corporation, Andhra Pradesh and Gujarat State Forest Development Corporation have involved themselves in research and development activities so far. The Committee are of the view that research and development activities would enable the tribal

collectors of MFPs to derive maximum income from the MFPs through value addition, appropriate processing as well as exports and urge the Ministry to persuade the STDCCs to give priority to research and development so that the MFPs marketed by them are commercially viable in the competitive market. The Committee, therefore, desire that the Ministry should enhance financial assistance to all the STDCCs specifically for setting up R&D Centres, and monitor the progress/achievement made in this regard.

D. TRAINING PROGRAMMES FOR SCIENTIFIC COLLECTION AND HARVESTING OF MINOR FOREST PRODUCE

Recommendation (Sl. No. 19, Para No. 3.20)

1.15 The Committee had noted with deep concern that during the year 2002-2003, no training/workshop/seminar had been organized for scientific collection, processing, storage and marketing of MFPs. The number of tribals imparted training from April, 2003 to March, 2004 i.e. 174 SHGs and 237 tribals were not adequate keeping in view the fact that most of the tribals still used their traditional tools and were ignorant about scientific methods of collection and harvesting of MFPs. The Committee had also observed that during the year 2004-2005, only 20 SHGs have been trained in scientific collection and harvesting of Honey in Karnataka; 24 tribal women in Hill Broom making at Jagdalpur and 213 tribals in making plates and bowls from Sal and Siali leaves by using bio-fuel based moulding machines. The Committee had expressed their dissatisfaction at the decline in the number of training programmes held during the previous years and had desired that the Ministry/TRIFED should organize training programmes, workshops and seminars for the skill upgradation, revenue generation, value addition, usages of latest tool kits, scientific practices for pre & post harvest management on a large scale. The Committee had also recommended that the Ministry should pursue the States to organize awareness generation and training programmes regarding scientific collection and harvesting of MFP as well as provide adequate funds for the same so that the poor tribals who mainly depend on MFP are able to reap the harvest to the maximum.

1.16 The Ministry have stated, in their action taken reply that TRIFED has been engaged in providing training programmes for tribals for various trades and skills. TRIFED has during 2003-04 onwards taken up the training of:

- 2450 tribal honey-hunters in Karnataka;
- 2825 tribal honey-hunters in Chhattisgarh, Andhra Pradesh, Madhya Pradesh, Gujarat and Maharashtra;
- training programmes for developing resource persons/master trainers in Andhra Pradesh and Madhya Pradesh
- 1000 gum-pickers in Chhattisgarh, Andhra Pradesh, Madhya Pradesh, Gujarat and Maharashtra.
- Demonstrative project on medicinal plants like Safed Musli and Amla at Jagdalpur, Bastar, Chhattisgarh
- Demonstrative project on Stevia Cultivation at Jagdalpur, Bastar, Chhattisgarh

1.17 The Central Government has also brought to the specific notice of State Governments the views of the Hon'ble Committee about the need for training.

1.18 The reply of the Ministry that they had brought to the specific notice of the State Governments the need for training regarding scientific collection and harvesting of MFPs is not satisfactory as the State Governments/STDCCs are not having adequate resources or expertise to conduct specialized training programmes. The Committee, therefore, reiterate their earlier recommendation and urge the Ministry to assist the State Governments to organize more awareness camps and training programmes in scientific collection of minor forest produce. The Committee also desire the Ministry should provide adequate funds and technological inputs in skill up-gradation, revenue generation, value addition, usages of latest tool kits, scientific practices for pre & post harvest management. The STDCCs and TRIFED should involve itself more actively and extensively in the training of the tribal collectors of MFPs towards scientific collection and harvesting of the minor forest produce.

CHAPTER – II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 3, Para No 1.16)

2.1 The Committee note that due to limited number of officials in the Ministry, the nominees of the Central Government have not been able to attend the Board meetings of STDCCs on a regular basis. The Committee are of the opinion that proper coordination is to be maintained between the Ministry and TRIFED on one hand and the State Tribal Development Cooperative Corporations on the other for their effective functioning. The Committee, therefore, desire that the nominated members of the Ministry should attend the meetings of the Board of Directors of STDCCs regularly, acquaint themselves with the overall functioning of the State bodies and ensure better coordination between the Ministry and STDCCs/TRIFED.

REPLY OF THE GOVERNMENT

2.2 The nominee-Directors of the Central Government on the Board of Directors of STDCCs have been instructed by this Ministry to attend the Board meetings of STDCCs regularly.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 5, Para No. 1.31)

2.3 The Committee are constrained to note that most of the funds of the STDCCs are spent on salaries as there are no separate provisions for the establishment expenses of the STDCCs including TRIFED. The Committee have been apprised that meeting the expenditure on establishment and administrative matters is the responsibility of the States. The Committee, therefore, urge the Ministry to persuade the State Governments to make separate provision for meeting establishment costs either through Plan or Non-Plan budget and ensure that the funds released to the STDCCs are utilized in MFP operations.

REPLY OF THE GOVERNMENT

2.4 This Ministry has brought to the notice of the State Governments the concern expressed by the Hon'ble Committee.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 6, Para No. 1.32)

2.5 The Committee regret to note that STDDCs are obtaining loans from Banks and repaying them with interest to increase their presence in the trade of MFPs including Haat Bazars. The Committee express apprehension that this practice will not be in the best interest of the poor tribals depending on collection of MFP for their livelihood. The Committee, therefore, urge the Ministry to impress upon the States to examine the commercial viability of MFPs thoroughly before taking loans from Banks and strictly adhere to prudent business practices.

REPLY OF THE GOVERNMENT

2.6 The views of the Hon'ble Committee have been brought to the notice of the State Governments for necessary action.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 7, Para No. 1.38)

2.7 The Committee note with concern that most of the States are enjoying monopoly rights for the collection of MFPs. The States have devised varying procedures of procurement through different agencies at the grass-roots level, including Large Area Multi-purpose Projects and other primary level cooperative societies. The Committee are, however, of the firm view that the poor tribal collectors of MFPs will be optimally benefited if they are allowed to collect and sell MFPs through Cooperatives or Self Help Groups formed by them. The Committee, therefore, urge the Ministry to direct the States and their Corporations to assist the tribals in forming Cooperatives or Self Help Groups while providing the infrastructural support and acting as a facilitator for the marketing of the MFPs.

REPLY OF THE GOVERNMENT

2.8 TRIFED has already been implementing projects for organizing Self Help Groups of tribals to deal in MFPs. The services of TRIFED would be utilized in a more involved manner under a new Road Map being drawn up by TRIFED. The Ministry has also asked the State Governments to take action in accordance with the recommendations/observations of the Hon'ble Committee.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 9, Para No. 2.7)

2.9 The Committee are constrained to note that there is no uniformity in fixing the price of MFPs amongst the States. Generally, the District Authorities fix the prices of the MFPs through their Price Fixation Committees in consultation with the relevant bodies, including the representatives from the STDCCs/FDCs, etc. However, the details of the Price Fixation Committees are not available with the Ministry as well as TRIFED. The Committee desire that members of tribal community should also be represented in the Price Fixation Committees proportionately and the States should adopt (as far as possible) common minimum prices for the minor forest produce of the tribals and urge the Ministry to pursue the matter with the States so that the issue is resolved and implemented at the earliest.

REPLY OF THE GOVERNMENT

2.10 This Ministry has included its intention of providing Minimum Support Price for MFPs as one of its goals in the *Draft National Policy on Tribals, 2006* prepared by it recently. The State Governments have been asked to take action on the Committee's recommendations that members of the tribal community be represented in the Price Fixation Committees proportionately and adoption of Common Minimum Support Price for MFPs by States, as far as possible.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 20,Para No. 3.25)

2.11 The Committee note that procurement and marketing of MFPs at the execution level remains with the STDCCs and are largely governed by policies and decisions of the State Governments. The Committee, however, feel that there are lots of areas where the Ministry/TRIFED can work together like development of the MFP sector, analyzing of proposals from the State Governments, technological inputs and in the field of research and development. The Committee, therefore, urge the Ministry/TRIFED to maintain proper coordination with the STDCCs by providing market intelligence thereby augmenting the volume of trade of the STDCCs, ensure that nominees to the Board of STDCCs attend the meetings regularly; provide R&D inputs to STDCCs; persuade the States to implement the provisions of the PESA Act, 1996 and confer ownership rights of MFPs to the Scheduled Tribes.

REPLY OF THE GOVERNMENT

2.12 The Committee's recommendations have already been noted and action initiated by issuing necessary directions to the State Governments and by involving TRIFED in MFP Operations along with STDCCs; directing the Central Government nominees to attend the meetings of Board of Directors of STDCCs regularly; providing for R&D inputs under the Scheme; by introducing the *Scheduled Tribes (Recognition of Forest Rights) Bill, 2005*.

[Ministry of Tribal Affairs O.M. No. No.20012/47/2004-CP&R dated 22.8.2006]

CHAPTER – III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

Recommendation (Sl. No. 2, Para No. 1.15)

3.1 The Committee find that State Tribal Development Cooperative Corporations (STDCCs), whose main function is to procure MFPs, are functioning in fourteen States at present. In some States, certain MFP items are procured and marketed by State Forest Development Corporations, MFP Development Cooperative Federations, other State Government organizations like MARKFED, Large Area Multipurpose Projects (LAMPs) Societies etc. The Committee are not happy with this situation. They strongly feel that in the absence of STDCCs, the poor tribals would not be able to procure and market the produce effectively and would also not get remunerative prices. The Committee, therefore, urge the Ministry to vigorously persuade the remaining States to set up STDCCs in their States at the earliest so that MFPs are procured from the tribals and marketed at remunerative prices thereby benefiting them.

REPLY OF THE GOVERNMENT

3.2 Most of the States have established State Tribal Development Cooperative Corporations (STDCCs). Those States which have not established STDCCs, operate the Scheme relating to MFP operation through other State Government organisations like Forest Development Corporations or Large Area Multi-purpose Projects (LAMPs) Societies, etc.

3.3 Nevertheless the attention of the State Governments/UT Administrations has been drawn to the recommendations/observations of the Hon'ble Committee for necessary action.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 11, Para No. 2.18)

3.4 The Committee are dismayed to note that the forest-dwelling Scheduled Tribes, who have been residing there for generations and are dependant on MFP for their livelihood are still not enjoying ownership of their MFP mostly due to ambiguity in the

definition of the term 'Minor Forest Produce'. The Ministry have informed that they are in the process of finalizing a draft "Scheduled Tribes (Recognition of Forest Rights) Bill, 2005" to recognize and confer ownership rights to the forest dwelling Scheduled Tribes. The Committee urge the Ministry to clearly define the term "Minor Forest Produce" and bring within the ambit of the term 'MFP' all the traditional minor forest produce in the Bill. The Committee further desire that in order to recognize and vest the forest rights and occupation of forest lands to the forest-dwelling Scheduled Tribes, the Ministry should finalise the "Scheduled Tribes (Recognition of Forest Rights) Bill, 2005", in consultation with the Ministry of Environment and Forests and concerned Departments/States and bring it to the Parliament at the earliest.

REPLY OF THE GOVERNMENT

3.5 The Ministry has since introduced the *Scheduled Tribes (Recognition of Forest Rights) Bill, 2005* in the Lok Sabha on 13.12.2005. The term '*minor forest produce*' has been defined in Clause 2(i) of the Bill. The Joint Committee of both the Houses of Parliament which considered the Bill, has made a number of modifications and suggestions. The Bill as revised will be taken up for discussion in Parliament.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 12, Para No. 2.19)

3.6 The Committee further note that for finalizing a Model Bill for conferring ownership rights in respect of MFP on forest dependant communities, the Ministry of Environment and Forests have sought the comments of concerned Ministries, including the Ministry of Tribal Affairs in this regard. Keeping in view the fact that the Ministry of Tribal Affairs is the nodal Ministry concerned with the welfare and development of the Scheduled Tribes, majority of whom live in forests and depend on MFP for their sustenance, the Committee urge the Ministry to lend their expertise to the Ministry of Environment and Forests and actively involve themselves in the drafting of the Bill.

REPLY OF THE GOVERNMENT

3.7 The Ministry of Environment & Forests had drafted the "*Model Bill – State/UT Minor Forest Produce (Ownership Rights of Forest Dependent Community) Act, 2005*"

for conferring ownership rights in respect of minor forest produce on forest dependent communities.

3.8 As the provisions of this model Bill overlapped with the provisions of the draft “*Scheduled Tribes (Recognition of Forest Rights) Bill, 2005*” formulated by this Ministry for recognizing and vesting the forest rights and occupation of forest land in forest dwelling Scheduled Tribes who have been residing in such forests for generations but whose rights could not be recorded, the Committee of Secretaries in a meeting held on 12.8.2005 discussed if there was a need for enacting two bills.

3.9 The *Scheduled Tribes (Recognition of Forest Rights) Bill, 2005* prepared by the Ministry was introduced in the Lok Sabha on 13.12.2005. The said Bill defines the term ‘*minor forest produce*’ to include all non-timber forest produce of plant origin, including bamboo, brush wood, stumps, cane, tussar, cocoons, honey, wax, lac, tendu or kendu leaves, medicinal plants and herbs, roots, tubers and the like. As per the said Bill, the forest rights of forest dwelling Scheduled Tribes also include the right of ownership access to use or dispose of minor forest produce. The Bill was, however, referred to a Joint Committee of the Parliament for examination. The Joint Committee of the Parliament has since presented its Report to Lok Sabha on 23.5.2006, which was also laid on the Table of Rajya Sabha on the same day.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 13, Para No. 2.20)

3.10 The Committee note that though the Panchayats (Extension to Scheduled Areas) Act, 1996 gives the rights of ownership of MFP to the respective Panchayats/Gram Sabhas and is applicable to all the Scheduled areas, yet it has not been implemented by the States in the right spirit. The Committee, therefore, urge the Ministry to pursue the States to amend their legislations in accordance with the PESA Act, 1996 so that ownership rights of MFPs is conferred on the Panchayats/Gram Sabhas and the poor Scheduled Tribe families living in the forests are not deprived of their source of livelihood.

REPLY OF THE GOVERNMENT

3.11 *The Panchayats (Extension to Scheduled Areas) Act, 1996* is administered by the Ministry of Panchayati Raj. The Ministry of Panchayati Raj has, therefore, to ensure that the States amend their legislations in accordance with the PESA Act, 1996 so that the ownership of MFPs is conferred on the Panchayats/Gram Sabhas. The *Scheduled Tribes (Recognition of Forest Rights) Bill, 2005* introduced by the Ministry of Tribal Affairs in the Lok Sabha, however, inter alia seeks to recognize the right of ownership access to use or dispose of minor forest produce also, in respect of the forest dwelling scheduled tribes, vide clause 3(c) of the Bill.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 18, Para No. 3.16)

3.12 The Committee note that the Ministry have sanctioned evaluation studies on 'Procurement and marketing of items of tribal produce marketed by TRIFED during 2003-04' and 'Quantification of State-wise minor forest produces, value addition and backward, forward linkages with the market to ensure enhanced income of the Scheduled Tribes' during 2004-05. The Committee desire that these studies should be completed at the earliest so that the Ministry would be able to plan a wide spectrum of activities pertaining to MFP operations.

REPLY OF THE GOVERNMENT

3.13 Consequent on a change in its mandate through amendments made in its bye-laws, TRIFED has since stopped making direct procurement of tribal produce and its sale for the past 2/3 years, but is now engaged in market development for tribal products instead. Therefore, the evaluation study on '*Procurement and marketing of items of tribal produce marketed by TRIFED during 2003-04*' is no longer relevant and has been dropped. However the evaluation study on '*Quantification of State-wise minor forest produces, value addition and backward, forward linkages with the market to ensure enhanced income of the Scheduled Tribes*' is being pursued.

[Ministry of Tribal Affairs O.M. No. No.20012/47/2004-CP&R dated 22.8.2006]

CHAPTER – IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED AND HAVE BEEN COMMENTED UPON BY THE COMMITTEE IN CHAPTER – I

Recommendation (Sl. No. 4, Para No. 1.30)

4.1 The Committee note that during 2005-06 the overall budgetary allocation of the Ministry has been enhanced by more than Rs.352 crore. However, out of the enhanced allocation, Rs.230 crore has been earmarked exclusively for development of forest villages and Rs.50 crore for providing irrigation facilities in tribal areas. Also allocation under the Post Matric Scholarship Scheme has been increased due to enhanced rates of scholarship. As a result allocation under other schemes including the schemes of STDCCs has either been kept at par with 2004-05 or has been reduced. The Committee further note that though the demand for funds from the States is larger than the allotment under the scheme, the inter-scheme allocations are made on the basis of the allocations given by the Planning Commission to the Ministry. The Committee further note that in some cases even the funds released by the Ministry under the scheme are released by the State Governments to their Corporations in a delayed manner. The Committee are of the view that grants-in-aid for STDCCs Scheme should be enhanced adequately to cover the potential of MFPs in States and make them financially viable. The Committee, therefore, recommend that the Ministry should approach the Planning Commission to give due priority to the STDCCs Scheme by allocating more funds specifically for Corporation's scheme within the overall budgetary allocations of the Ministry. The Committee desire that the Ministry should ensure that the grants-in-aid released to the States are actually utilized for procurement of minor forest produce. The Committee also urge the Ministry to pursue with the States to provide funds to their Tribal Development Cooperative Corporations without any delay as well as submit proposals complete in all respects and utilization certificates of earlier funds released to them in time and regularly.

REPLY OF THE GOVERNMENT

4.2 As in the past, in future also this Ministry would take up with the Planning Commission the matter of enhancement of the allocation under the Scheme during the 11th Five Year Plan.

4.3 Insofar as the current year (2006-07) is concerned as against the BE 2005-06 of Rs.10.80 crores for MFP, the Planning Commission has allocated a higher amount for the year in BE:2006-07, namely Rs.16 Cr.

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Comments of the Committee

(Please see Para 1.8 of Chapter I of the Report)

Recommendation (Sl. No. 15, Para No. 2.29)

4.4 During their on the spot study visit to Adilabad in November, 2004 the Committee observed that the tribals are getting very low price for their MFP, though the same is being sold at a much higher price in the open market. The tribal collectors of MFPs are not getting any subsidy or marketing support. The Committee are not happy with the situation and desire that the State Governments or its Corporations should provide adequate marketing support to the tribals and take steps to ensure that they are able to reap the full benefits accruing from the sale of MFP. The Committee, therefore, urge the Ministry to take stringent steps to minimize the role of Private Traders in the MFP market and ensure maximization of returns to the Scheduled Tribes.

REPLY OF THE GOVERNMENT

4.5 This Ministry has brought to the notice of the State Governments the recommendations/observations of the Hon'ble Committee for necessary action.

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Comments of the Committee

(Please see Para 1.11 of Chapter I of the Report)

Recommendation (Sl. No. 17, Para No. 3.15)

4.6 The Committee regret to note that most of the STDCCs are not having the facility of Research and Development for enhancing the quality of MFPs, which would commensurately enhance the marketability of MFPs. Only two State bodies i.e. Girijan Cooperative Corporation, Andhra Pradesh and Gujarat State Forest Development Corporation have involved themselves in Research and Development works. The

Committee are of the view that the tribals depending on MFP would be able to derive maximum income through marketing of their minor forest produce only after refining the quality and value addition of the MFPs and desire that the STDCCs should focus on Research and Development to enhance the marketability of the MFPs. The Committee, therefore, recommend that the Ministry should render financial assistance to augment the Research and Development efforts of STDCCs through increased budgetary allocation so that income derived from MFPs may be adequately enhanced. The Committee also desire that TRIFED should provide assistance to STDCCs in setting up Research and Development Centres for value addition activities of MFPs and maintaining strict quality control norms and also to ensure that their products are viable in the competitive market.

REPLY OF THE GOVERNMENT

4.7 The recommendations of the Hon'ble Committee have been noted for compliance. The Scheme of '*Grants-in-aid to STDCCs for MFP Operations*' being implemented by this Ministry already provides for financial assistance for R&D activities to be undertaken by STDCCs. TRIFED also has its own R&D Centre for MFP products.

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Comments of the Committee

(Please see Para 1.14 of Chapter I of the Report)

Recommendation (Sl. No. 19, Para No. 3.20)

4.8 The Committee note with deep concern that during the year 2002-2003, no training/workshop/seminar has been organized for scientific collection, processing, storage and marketing of MFPs. The number of tribals imparted training from April, 2003 to March, 2004 i.e. 174 SHGs and 237 tribals are not adequate keeping in view the fact that most of the tribals still use their traditional tools and are ignorant about scientific methods of collection and harvesting of MFPs. The Committee also observe that during the year 2004-2005, only 20 SHGs have been trained in scientific collection and harvesting of Honey in Karnataka; 24 tribal women in Hill Broom making at Jagdalpur and 213 tribals in making plates and bowls from Sal and Siali leaves by using bio-fuel

based moulding machines. The Committee express their dissatisfaction at the decline in the number of training programmes held during the previous years and desire that the Ministry/TRIFED should organize training programmes, workshops and seminars for the skill upgradation, revenue generation, value addition, usages of latest tool kits, scientific practices for pre & post harvest management on a large scale. The Committee also recommend that the Ministry should pursue the States to organize awareness generation and training programmes regarding scientific collection and harvesting of MFP as well as provide adequate funds for the same so that the poor tribals who mainly depend on MFP are able to reap the harvest to the maximum.

REPLY OF THE GOVERNMENT

4.9 TRIFED has been engaged in providing training programmes for tribals for various trades and skills. TRIFED has during 2003-04 onwards taken up the training of:

- 2450 tribal honey-hunters in Karnataka;
- 2825 tribal honey-hunters in Chhattisgarh, Andhra Pradesh, Madhya Pradesh, Gujarat and Maharashtra;
- training programmes for developing resource persons/master trainers in Andhra Pradesh and Madhya Pradesh
- 1000 gum-pickers in Chhattisgarh, Andhra Pradesh, Madhya Pradesh, Gujarat and Maharashtra.
- Demonstrative project on medicinal plants like Safed Musli and Amla at Jagdalpur, Bastar, Chhattisgarh
- Demonstrative project on Stevia Cultivation at Jagdalpur, Bastar, Chhattisgarh

4.10 The Central Government has also brought to the specific notice of State Government the views of the Hon'ble Committee about the need for training.

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Comments of the Committee

(Please see Para 1.18 of Chapter I of the Report)

CHAPTER –V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

Recommendation (Sl. No. 1, Para No. 1.9)

5.1 The Committee note that Minor Forest Produce is central to the existence of tribal communities. According to the Report of an Expert Committee set up by the Ministry of Environment and Forests in 1999, the amount of MFP produced annually is 1,17,71,850 MT. The study conducted by Insight Management Consultants in the year 2002 had estimated the share of the tribals in the MFP market, except for Tamarind and Honey, to be 100%. The Committee are, however, distressed to note that due to scarcity of MFP resources, there is stiff competition among the tribal MFP collecting families which leads to collection of immature plant parts, leaves, flowers, fruits, bark and roots thereby causing damage to the mother plant and less than optimum return to the forest dependent community. The Committee observe that MFPs are playing a pivotal role in the lives of the forest dependant tribal families but express its serious concern that collection of immature plant parts and unscientific exploitation of MFP resources would ultimately lead to the destruction of the source of livelihood of these tribal families. The Committee are of the view that the existing potential of Minor Forest Produce should be exploited economically and scientifically so that they remain as a sustainable and renewable source of income for the tribal families. The Committee, therefore, recommend that the Ministry should pursue with the States to prepare specific action plan for harnessing the existing potential of MFP in their respective States in a scientific manner, provide technological inputs for value addition to Minor Forest Produces and undertake procurement activities with improved methods. The Committee also desire that the Ministry/TRIFED should lend their expertise to the States for preparation of specific action plans and in their procurement operations so that Minor Forest Produce continue to be a viable and self- sustaining source of income for the forest dependant tribal families for many generations to come.

REPLY OF THE GOVERNMENT

5.2 The Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED), being an Apex Cooperative Federation, and an organization with the goal of developing markets for tribal products, has been asked to prepare a new Road Map for

the organization which will, inter-alia, include helping the State Tribal Development Cooperative Corporations (STDCCs) to take up exploitation of Minor Forest Produce (MFP) economically and scientifically so that MFP remains a sustainable and renewable source of income for the tribal families.

5.3 To this end TRIFED would ensure that tribals are trained in collecting MFPs in a scientific manner with the aid of technology inputs and to further process the MFPs for value addition so that this activity continues to be a viable and self-sustaining source of income.

5.4 TRIFED has already taken up projects on providing an improved technology package comprising use of protective clothes and equipments for non-destructive and safe collection and extraction of forest honey. The program has been started in Karnataka and is going to be taken up in other States namely Chhattisgarh, Madhya Pradesh, Gujarat, Andhra Pradesh and Maharashtra for 5275 tribal honey collectors.

5.5 A similar programme is also proposed to be taken up for scientific collection and tapping of gum from the gum yielding trees for 10,000 tribal gum pickers in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Andhra Pradesh and Maharashtra, as well as for lac in the State of Orissa.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 8, Para No. 1.39)

5.6 The Committee note that markets explored by the STDCCs are generally local and national in nature and MFPs are sold without much value addition. TRIFED has, to some extent, played a role in the international trade of commodities including Niger Seed, Gum Karaya, Mustard DOC etc. The Committee desire that the Ministry/TRIFED should assist the STDCCs in educating the tribals about marketing channels, market knowledge regarding weights and measures, costing and quality control and also explore the avenues for sale of MFPs in international markets on a larger scale. The Committee, therefore, urge the Ministry to play a proactive role in the marketing of MFPs by providing market intelligence about their products, rendering export related services, opening of Export Facilitation Centres to enable the STDCCs to sell their products and adopting direct selling through outlets of TRIBES under a national brand. The

Committee also desire the Ministry to lay down guidelines for exploring the national as well as international market to expand the scope for the supply of MFPs and export of the same to other countries.

REPLY OF THE GOVERNMENT

5.7 The Recommendations of the Hon'ble Committee has been noted. This will be implemented through TRIFED.

[Ministry of Tribal Affairs O.M. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 10, Para No. 2.8)

5.8 The Committee express serious concern over the fact that minimum support price is not available for the MFPs of the tribals as is available for other commodities in the agriculture sector through Agricultural Price Commission. TRIFED has recently taken up the issue with the Ministry of Agriculture as well but they are yet to respond to the proposal. The Committee feel that there is an urgent need to bring the minor forest produce under the ambit of minimum support price as they are the main source of livelihood and income for a majority of the tribal people. The Committee, therefore, urge the Ministry to earnestly pursue the nodal Ministry, i.e. Ministry of Environment and Forests and also the Ministry of Agriculture to fix minimum support prices for the MFPs of the tribals, in consultation with concerned State Governments so that the tribals could get proper value for the forest produce collected by them.

REPLY OF THE GOVERNMENT

5.9 This Ministry has included its intention of providing Minimum Support Price for MFPs as one of its goals in the *Draft National Policy on Tribals, 2006* prepared by it recently. This will be examined in detail in consultation with the Ministry of Agriculture & Cooperation, Commission for Agricultural Costs & Prices (CACP), State Governments, TRIFED and other stake-holders concerned.

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Recommendation (Sl. No. 14, Para No. 2.28)

5.10 The Committee note with deep concern that marketing of minor forest produce remains unorganized mainly in the hands of private traders/middlemen. Out of Rs. 650 crore worth of MFPs available in the country, 60 per cent is going into the hands of the unorganized sector and private traders or middlemen while not even 30 per cent is procured by Government agencies. The Committee have also been informed that only Gujarat, Rajasthan and West Bengal have stated that there are no instances where private traders or middlemen do not allow tribals to reap the harvest of their MFPs. The Committee strongly feel that monopoly of the MFP market by private traders, legally or illegally owing to inadequate control being exercised by State agencies, should be curtailed. The Committee, therefore, urge the Ministry to vigorously pursue the STDCCs to play an active role in the collection and marketing of MFPs and regulate their operations with strict administrative control and effective management techniques. Proper coordination among field level agencies involved in MFP operations should be ensured. The Committee also desire that the Ministry should take immediate steps to form a consortium of State TDCCs which will organize periodic buyers-sellers meet thereby enabling the tribals to get proper price for their MFPs and also minimize the monopoly of the MFP markets by private traders/middlemen. Steps taken in this regard may be communicated to the Committee.

REPLY OF THE GOVERNMENT

5.11 This Ministry proposes to involve TRIFED more directly and more deeply with STDCCs to help the latter in pursuing the activities relating to MFP operations more vigorously. This Ministry has brought to the notice of the State Governments/UT Administrations the recommendations/observations of the Hon'ble Committee for taking action to ensure that STDCCs play an active role in the collection and marketing of MFPs and regulating their operations with strict administrative control and effective management techniques.

[Ministry of Tribal Affairs O.M. No. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 16, Para No. 3.6)

5.12 The Committee note that the tribals living in the forest are engaged in MFP operations in accordance with their traditional wisdom using tools like axes, chisels, etc. for collection of minor forest produce and are not updated with the latest technologies in this regard. Due to overall resource constraints, TRIFED and STDCCs are not in a position to provide adequate technological aids and tools. The Committee, however, desire that the Ministry should pursue the State Governments and their Corporations to take necessary action for imparting training to the tribals in the application of modern tools, scientific methods of collection, processing, storage and marketing of MFPs and also provide tool kits and technological aids to them. TRIFED, as the nodal organization should develop standard norms for the MFPs so that their market could be expanded considerably. The Committee also recommend that the Ministry should assist the STDCCs in setting up common facility centres/vocational training centres in tribal clusters which could be utilized for imparting training regarding scientific methods of collection, value addition and storage besides marketing of the MFP of the tribals.

REPLY OF THE GOVERNMENT

5.13 TRIFED is already engaged in imparting training to tribals in collecting MFPs, viz., wild honey, gum karaya etc. in a scientific manner with the aid of technology inputs and to further process the MFPs for value addition so that this activity continues to be a viable and self-sustaining source of income for the tribals. TRIFED also plans to involve itself in helping STDCCs with resource mapping, scientific collection, value addition, storage, development of quality standards, export facilitation, etc.

[Ministry of Tribal Affairs O.M. No. No.20012/47/2004-CP&R dated 22.8.2006]

Recommendation (Sl. No. 21, Para No. 3.32)

5.14 The Committee express concern over the fact that STDCCs are facing a number of obstacles in carrying out their MFP operations viz, financial constraints, lack of awareness among the tribals in the collection, storage, grading, primary level value addition, unorganized market of MFPs etc. The Committee further note that under the Indian Forest Act and relevant State Forest Acts, regulatory provisions such as transit fees are statutory in nature. However, States like Orissa, Rajasthan, Madhya Pradesh, Gujarat and West Bengal have waived the fees leviable on transit of such MFP. The

Committee desire that the remaining States should be pursued to abolish the taxes/forest levies for trading in MFPs and urge the Ministry to take up the issue with the State Governments on priority basis.

REPLY OF THE GOVERNMENT

5.15 This Ministry has brought to the notice of the State Governments/UT Administrations the concerns expressed by the Hon'ble Committee, for necessary action.

[Ministry of Tribal Affairs O.M. No. No.20012/47/2004-CP&R dated 22.8.2006]

**New Delhi:
23 November, 2006
2 Agrahayana, 1928 (Saka)**

**SUMITRA MAHAJAN,
Chairperson,
Standing Committee on
Social Justice and
Empowerment**

6. The Committee then took up the Draft Nineteenth Report on Action taken by the Government on the recommendations/observations contained in the Tenth Report of the Standing Committee on Social Justice and Empowerment on the subject “Grants-in-aid to State Tribal Development Cooperative Corporations (STDCCs) for Minor Forest Produce (MFP) Operations” of the Ministry of Tribal Affairs and adopted the same without any amendment.

7. The Committee authorized the Chairperson to finalise the Report and present the same to Parliament on their behalf.

The Committee then adjourned.

APPENDIX

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TENTH REPORT OF THE STANDING COMMITTEE ON SOCIAL JUSTICE AND EMPOWERMENT (FOURTEENTH LOK SABHA)

	Total	Percentage
I. Total number of Recommendations	21	
II. Recommendations/Observations which have been accepted by the Government: (Sl. Nos. 3, 5, 6, 7, 9, and 20)	6	28.57%
III. Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government: (Sl. Nos. 2, 11,12,13 and 18)	5	23.81%
IV. Recommendations/Observations in respect of which replies of the Government have not been accepted and have been commented upon by the Committee in Chapter I (Sl. Nos. 4, 15, 17 and 19)	4	19.05%
V. Recommendations/Observations in respect of which replies of the Government are interim in nature: (Sl. No. 1, 8, 10, 14, 16 and 21)	6	28.57%