

**STANDING COMMITTEE ON SOCIAL JUSTICE
AND EMPOWERMENT**

(2004 -2005)

(FOURTEENTH LOK SABHA)

MINISTRY OF TRIBAL AFFAIRS

**Action taken by the Government on the Recommendations/Observations contained in
the Thirty-third Report of the erstwhile Standing Committee on Labour and Welfare
on 'The Tribal Cooperative Marketing Development Federation of India Limited
(TRIFED)'**

THIRD REPORT

**Presented to Lok Sabha on 22nd December, 2004
Laid in Rajya Sabha on 22nd December, 2004**

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**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2004/Agrahayana, 1926 (Saka)

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**COMPOSITION OF STANDING COMMITTEE ON SOCIAL
JUSTICE AND EMPOWERMENT(2004-2005)**

Smt. Sumitra Mahajan - CHAIRPERSON

**MEMBERS
LOK SABHA**

2. Shri M. Appadurai
3. Shri Ashok Argal
4. Smt. Sushmita Bauri
5. Shri Mahaveer Bhagora
6. Shri Eknath M. Gaikwad
7. Shri Sanat Kumar Mandal
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14. Shri Daroga Prasad Saroj
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16. Shri Mohd. Shahid
17. Smt. Pratibha Singh
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19. Smt. Krishna Tirath
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RAJYA SABHA

22. Smt. Jamana Devi Barupal
23. Shri Silvius Condpan
24. Shri R.S. Gavai
25. Dr. Narayan Singh Manaklao
26. Shri Abdul Wahab Peevee
27. Shri Dharam Pal Sabharwal
28. Shri Ram Narayan Sahu
29. Smt. Savita Sharda
30. Shri Trilochan Singh
31. Shri Veer Singh

SECRETARIAT

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|----|--------------------|---|-------------------------|
| 1. | Shri R.C Ahuja | - | Joint Secretary |
| 2. | Shri R.K. Saxena | - | Deputy Secretary |
| 3. | Shri Bhupesh Kumar | - | Under Secretary |
| 4. | Km. M. Tunlut | - | 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 Third Report on the action taken by the Government on the recommendations contained in the Thirty-third Report of the erstwhile Standing Committee on Labour and Welfare (Thirteenth Lok Sabha) on 'The Tribal Cooperative Marketing Development Federation of India Limited (TRIFED)' .
2. The Thirty-third Report was presented to Lok Sabha and also laid in Rajya Sabha on 21 August 2003. The Ministry of Tribal Affairs furnished their replies indicating action taken on the recommendations contained in that Report on 13 January 2004. The report was considered and adopted by the Standing Committee on Social Justice and Empowerment at their sitting held on 20th December 2004.
3. The Report has been divided into the following chapters:-
- I. Report.
 - II. Recommendations/Observations which have been accepted by Government.
 - III. Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government.
 - IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.
 - V. Recommendations/Observations in respect of which replies of the Government are interim in nature.
4. An analysis of the action taken by Government on the recommendations contained in the Thirty-third Report of the erstwhile Standing Committee on Labour and Welfare (Thirteenth Lok Sabha) is given in **Appendix**.
5. For the facility of reference recommendations/observations of the Committee have been printed in thick type in the body of the Report.

New Delhi:
December, 2004
 Agrahayana, 1926 (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 Thirty-third Report of the erstwhile Committee on Labour and Welfare (Thirteenth Lok Sabha) on 'The Tribal Cooperative Marketing Development Federation of India Limited (TRIFED)' .

1.2 The Thirty-third Report was presented to Lok Sabha and also laid in Rajya Sabha on 21 August 2003. It contained 22 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, 4, 6, 9, 10, 13, 15, 18, 20, 21 and 22

(Total 11 - 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, 12, 14 and 16.

(Total 4 - Chapter III)

- (iii) Recommendations/Observations, in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Paragraph Sl. Nos. 1, 5, 7, 8 and 17.

(Total 5 - Chapter IV)

- (iv) Recommendations/Observations in respect of which replies of the Government are interim in nature:
Paragraph Sl. Nos. 11 and 19.

(Total 2 - 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. To bring TRIFED under Companies Act :

Recommendation (Sl. No. 1, Para 1.8)

1.5 The Committee had noted that Messrs. Insight Management Consultants, entrusted with the task of studying the structure and functions of TRIFED and to suggest ways and means for restructuring so as to improve its performance had advised the need for TRIFED to come under the purview of the Companies Act. For that, it had recommended floating a subsidiary institution in the form of a corporate body, which can be registered under the Companies Act. The Committee, had further noted that spinning of a subsidiary institution in the form of a Corporate body was not finding favour with the Ministry of Tribal Affairs because TRIFED would not be able to transfer a part of their business or activities undertaken in furtherance of its object in view of the restriction imposed under proviso to sub-section 2 of Section 19 of the Multi-State Cooperative Societies Act. The Committee had, therefore, recommended that in order to switch over the TRIFED to a corporate entity, the above restriction under the MSCS Act might be removed by bringing suitable amendment in the Act itself.

1.6 The Ministry of Tribal Affairs, in its action taken note furnished to the Committee, have stated that the Multi-State Cooperative Societies Act, 2002 is applicable to all such societies throughout the country. Since the proposed amendment to the said Act will be applicable to TRIFED only, it will not be agreed to by the nodal Ministry i.e. Ministry of Agriculture & Cooperation. In a recent case where the Ministry had proposed an amendment to the MSCS Act, 2002 it was turned down by the Ministry of Agriculture and Cooperation.

1.7 The Committee are not at all satisfied with the reply of the Ministry that since the proposed amendment to the Multi-State Cooperative Societies Act, 2002 would be applicable to TRIFED only, it would not be agreed to by the nodal Ministry i.e the Ministry of Agriculture and Cooperation. The Committee feel that the Government has not given due consideration to the recommendation of the Committee. In the opinion of the Committee, to improve its performance and also to bring more professionalism in its functioning, the status of TRIFED needs to be changed from a Cooperative to a Corporate Body. A thorough analysis of the whole matter in the related fields is necessary before coming to any conclusion. The Committee, therefore, reiterate its earlier recommendation that in order to switch over the TRIFED to a corporate entity, the restriction under the MSCS Act may be removed by bringing suitable amendment in the Act itself. The Committee desire that the matter be pursued with the Ministry of Agriculture and Cooperation with all sincerity.

B. Investment in the share capital and restructuring of TRIFED:**Recommendations (Sl. No. 5, Para 2.5 and Sl. No. 17, Para 7.16)**

1.8 The Committee had noted that the Central Government had not found it feasible to further invest in the share capital of TRIFED due to huge losses incurred by it over the years and its unsatisfactory performance. However, in order to provide additional funds to meet the requirements of TRIFED, the Ministry was revising the present scheme of grants-in-aid to State Tribal Development Cooperative Corporations including TRIFED. The Committee welcomed this step but had opined that to bail out TRIFED from the present financial crisis, adequate capital base was required and hence further investment was necessary to be made by the Central Government as it was the principal investor. Also keeping in view the fact that TRIFED was performing the unique role of marketing development for the tribal produce and had reoriented its focus from direct trading to the role of a market developer, the Committee had urged the Ministry to re-examine the issue of enhancing their share capital in TRIFED to enable it to carry out its action plan for activities relating to marketing development effectively.

1.9 The Committee had also noted that in order to make the restructuring plan of TRIFED possible, an infusion of Rs.100 crore in the form of equity capital and grants-in-aid by the Central Government in the next five years was necessary. The Committee, had therefore, recommended that the Ministry should give serious consideration to the financial requirement of TRIFED and take necessary steps to provide sufficient capital to TRIFED for carrying out its restructuring exercises and attaining professional competence.

1.10 In their action taken note furnished to the Committee, the Ministry have stated that the requirement of funds for the promotional activities of TRIFED has already been considered in the Ministry. During the current financial year (2003-04) an amount of Rs.2.00 crore has already been released to TRIFED under the Price Support Scheme, against an allocation of Rs.6.00 crore. For the balance amount, the file is under submission to IFD for their concurrence.

1.11 The existing scheme of grants-in-aid to State Tribal Development Cooperative Corporations has been proposed to be revised so that funds can be released to TRIFED also.

1.12 Besides the Ministry have already mooted a proposal to fund the administrative expenditure of TRIFED through a Non-Plan budget head. This will ensure the payment of administrative expenditure as well as interest.

1.13 However, at this juncture with the present financial scenario where TRIFED has incurred huge losses of more than Rs.80.00 crore, any more investment in the share capital of TRIFED is likely to be turned down by the Cabinet Committee on Economic Affairs(CCEA). However, restructuring process of TRIFED has already started. In case, there is a turn around in the financial scenario of TRIFED in the near future, the case of enhancement of share capital can be considered thereafter.

1.14 The Ministry has further stated that TRIFED has requested the Ministry to provide funds under non-plan budget head @ Rs.10.00 crore per year for carrying out its restructuring exercises and attaining professional competence. The matter has already been examined and TRIFED has been requested to provide necessary information/details as sought for by FA (TA).

1.15 The Committee note the reply that with the present financial scenario where TRIFED has incurred huge losses of more than Rs. 80 crore, any more investment in the share capital of TRIFED is likely to be turned down by the CCEA. The Committee feel that in view of the unique objective of the Federation i.e. marketing development for the tribal produce and also the fact that restructuring of TRIFED has already started, increase in the share capital base for TRIFED by the Government is absolutely necessary. The Committee desire that in order to enable it to carry out its operations effectively, the Ministry should release more funds early to TRIFED under its Price Support Scheme. The Committee also hope that the existing scheme for grants-in-aid to State Tribal Development Cooperative Corporations will be revised soon so that funds could be released to TRIFED at the earliest. In brief, in order to bail out TRIFED from financial crisis and to enable it to carry out its action plan for activities relating to marketing development effectively, the Committee desire that the Ministry should enhance the share capital of TRIFED. The Committee also hope that the restructuring process of TRIFED will be completed soon.

C. Disciplinary action against employees of TRIFED:

Recommendation (Sl. No. 7, Para 2.13)

1.16 The Committee had taken serious note of the fact that some of the employees/senior officials of TRIFED were found responsible for bad investment by TRIFED and were also involved in irregularities relating to purchase, sales, storage, shortages, procedural lapses and other misconduct. Some of the officials/employees were facing CBI inquiry/Departmental action. The Committee, had therefore, recommended that all the irregularities might be thoroughly investigated and stringent action taken against the guilty persons.

1.17 The Ministry have stated in their action taken note furnished to the Committee that disciplinary action against 48 employees of TRIFED has been taken so far with respect to misconduct on various kinds of irregularities related to purchase, sales, storage, shortages, procedural lapses and other misconduct. Out of these, 12 employees were dismissed/removed from service on account of grave misconduct related to unauthorized actions, fraudulent

purchases and false credentials. Major penalty was imposed on 11 employees; minor penalty on 8 employees while 7 were exonerated.

1.18 Pending 11 disciplinary cases are in progress. Further disciplinary action against 5 other employees is contemplated. Apart from this, CBI has already launched criminal prosecution against 7 former employees of TRIFED (6 of which were dismissed/removed/services dispensed during probation and one present employee). Two cases have been referred to CBI for investigation.

1.19 The Committee note with serious concern that the Ministry had given the same reply during the detailed examination of the subject the previous year. No further progress has been made in punishing the guilty persons involved in fraudulent purchases and grave misconduct. The Committee, therefore, again urge the Government to take stringent action against the guilty persons early and take necessary measures to ensure that such lapses do not occur in future.

D. Foreign marketing of Minor Forest Produce:

Recommendation (Sl. No. 8, Para 3.8)

1.20 The Committee had noted that the commodities procured by TRIFED have expanded over the years of its operations. TRIFED was now procuring 57 varieties of Surplus Agricultural Produce(SAP) and 50 varieties of Minor Forest Produce(MFP) including tree-borne oilseeds. The Committee had been informed that export of Minor Forest Produce had stopped after 1996-97 and that the efforts of marketing tribal produce could not culminate into business with foreign buyers due to certain constraints such as products not conforming to quality specifications, inconsistent supply base and uncompetitive price. They had, therefore, recommended that the Ministry should assist TRIFED in overcoming those constraints and exploring foreign market for its MFP and SAP items.

1.21 In their reply, the Ministry have informed that as far as TRIFED is concerned, the primary area which needs attention is the development of the quality of the tribal produce. In this regard, TRIFED has already planned action in the following areas through its Research & Development Wing:

- a) Development of norms for determining normal and abnormal losses during storage of major Tree-borne Oilseeds (Neem, Mahua Seed, Karanj, Mango Kernel & Sal Seed),
- b) Development of Quality standard for Mahua Flower,
- c) Good storage practices for Non-Timber Forest Produce.

1.22 TRIFED has also been exploring possibilities of export potential of various MFPs and of providing necessary service to its members for promoting exports of MFPs.

1.23 Ministry of Tribal Affairs have, however, no objection in promoting TRIFED's market development initiative as per their existing bye-laws in so far as they conform to the schemes being implemented by this Ministry.

1.24 The Committee have been apprised that as far as TRIFED is concerned the primary area which needs attention is the development of quality of the tribal produce. It is further stated that TRIFED has also planned action in development of norms for determining normal and abnormal losses during storage of major tree borne oilseeds, development of quality standard for Mahua flower and good storage practices for Non Timber Forest Produce. However, the Committee feel that the Government's action plan has not yielded the desired results as the marketing efforts of tribal produces could not culminate into business with foreign buyers due to already existing constraints. The Committee are of the opinion that unless constraints like products not conforming to quality specifications, inconsistent supply

base and uncompetitive prices are removed, the situation will not improve. Keeping in view that TRIFED functions under the aegis of the Ministry of Tribal Affairs, the Committee desire that the Ministry should involve itself actively in the affairs of the Federation and provide full assistance in removing the constraints for improving the quality and marketability of MFP as well as finding foreign market for such produce.

CHAPTER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl.No.3, Para 1.23)

2.1 The Committee note that the Central Government is the major shareholder of TRIFED with equity capital amounting to Rs.99.75 crore out of the paid up share capital of Rs.98.99 crore. The other members of TRIFED like NCDC, NAFED, State-level Tribal Development Corporations, Forest Development Corporations, State Marketing Federations, etc. have contributed the remaining Rs.23 lakh of the paid-up share capital. The Committee further note that various provisions have been incorporated in the new bye-laws of TRIFED for enhancing the share contribution. The Committee, therefore, urge the Ministry to persuade the National and State level agencies to enhance their contribution to the share capital of TRIFED so that it may have adequate capital base to enable it to carry out its operations effectively.

Reply of the Government

2.2 Chief Executive Officers of all the Member Organisations of TRIFED vide letter dated 19.6.2003 have been impressed upon that in view of various provisions enumerated in the Bye-laws, it is essential that a serious thought is given regarding enhancing contribution to share capital of TRIFED, a copy of the letter was also endorsed to the Secretaries (Tribal Development) and Secretaries (Cooperation) who have been requested to initiate necessary action in this regard.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.4, Para 1.28)

2.3. The Committee note that the existing Branch offices of TRIFED are located in the main cities for better linkage with the terminal market and to have close liaison with concerned authorities of the State Governments. Keeping in view the shift in the focus of TRIFED from mere trading of tribal produce to marketing development activities, the Committee feel that TRIFED should review and re-examine the utility of the existing location of its Branch Offices. The Committee, therefore, recommend that TRIFED should explore the feasibility of setting up its Branch Offices at strategic locations which would facilitate not only its marketing development activities but also the proper network of its operations for better linkage and smooth functioning in its new role as a market developer.

Reply of the Government

2.4 Consequent upon shifting of the activities of TRIFED from direct trading to Marketing Development since July 2002, the Marketing Development Projects along with the areas of operation have been and are being identified by the Branches. Once Federation reaches a consolidation stage the matter will be reviewed and restructuring of the Branch Offices shall be done taking into consideration the above factor.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.6, Para 2.10)

2.5 The Committee note with concern that the administrative expenses incurred by TRIFED including salary of employees has been very high i.e., Rs.82.98 crore since its inception. Out of the total administrative expenses, 47 per cent has been spent on salary and allowances of the employees; 16.6 per cent on selling and distribution which includes TA & DA of staff posted in tribal areas and 9 per cent on hiring of office premises and its maintenance. The Committee, therefore, recommend that administrative expenses especially on salaries of employees should be curtailed by downsizing the organisation. Also, keeping in view the fact that TRIFED is now concentrating on market development activities rather than on procurement and sale of tribal produce, the Committee desire that the Ministry should ensure that utmost economy be effected on the expenses under selling and distribution which includes TA & DA for staff posted in tribal areas for procurement purposes.

Reply of the Government

2.6 The Board of Directors of TRIFED in its 64th meeting held on 28.4.2003 while discussing on the recommendation of M/s Insight Management Consultants, have approved downsizing the Organisation by introducing Voluntary Retirement Scheme and also for further appointment in the Federation only by outsourcing. Accordingly, a draft scheme of Voluntary Retirement to be introduced along with proposed benefits and arrangement for funds to meet the financial liability is under active consideration.

2.7 As regards ensuring utmost economy on the expenses under selling and distribution including TA & DA, necessary steps are being ensured by the Federation. This is evident from the fact that during the financial year 2002-03 strict financial austerity measures and discipline were enforced and administrative expenditures were curtailed to the maximum extent possible commensurate with the maintenance of efficient functioning of the Federation. As a result of this, there has been a reduction of Rs.1.79 crore in Revenue Expenditure as compared to the previous year. The Revenue Expenditure which was Rs.11.43 crore in the financial year 2001-02 was reduced to Rs.9.64 crore during 2002-03.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.9, Para 3.9)

2.8 The Committee welcome the steps taken by TRIFED to establish an Export Facilitation Centre (EFC) at Mumbai which would perform the role of an agency to help its members in booking export orders, providing storage infrastructure, value addition facilities and executing export orders. The Committee, therefore, recommend that TRIFED should set up the Export Facilitation Centre at the earliest so that it could serve as a center for coordination of exports for its members societies/organisations.

Reply of the Government

2.9 TRIFED has initiated the process of conceptualizing the purpose and desired performance of an EFC proposed to be set up at Mumbai. However, as per requirement for setting up EFC, TRIFED has to examine the actual need of the same depending upon some market information/intelligence on the commodities and their value added products, for the promotion of which the setting up of the EFC is being examined. TRIFED has already started gathering the relevant market intelligence for which the Member Societies are also being involved.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.10, Para 4.4)

2.10 The Committee note that the present Management of TRIFED had prepared a detailed action plan for marketing development activities but no time-frame has been fixed for completion of these projects. Though it may not be feasible to assign a definite time-frame to these projects as they may need some gestation period and would depend on financial support from the Government, the Committee desire that they should be monitored regularly and feedback on the actual implementation of these projects should be obtained periodically.

Reply of the Government

2.11 The projects prepared towards marketing development activities are of two types:

(i) The projects entitled Babasaheb Ambedkar Hast Shilp Vikas Yojana (AHVY) which is being implemented in the four States, namely, Karnataka, Gujarat, West Bengal and Assam; and the project on cultivation and development of medicinal herbs viz. Safed Musli and Amla. These two projects have been funded by Office of the Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India and National Medicinal Plant Board (NMPB), Ministry of Health and Family Welfare, Govt. of India, respectively. For these projects, a tentative time frame has been assigned subject to the various factors and constraints. Moreover, the completion of the said two projects within the time-limit prescribed by the funding organisations is the essence of the projects unless there are any compelling circumstances which would stand in the way of their implementability in time.

(ii) The projects such as value addition of Sal/Siali leaves into Dona-pattals, development of minor Millets into health foods, preparation of trade directory and benchmarking of the price and quality of Non-Timber Forest Products (NTFPs), cultivation and development of Jatropha as Bio-fuel and some other livelihood generation projects for the tribals have been prepared for which no financial assistance has so far been received. For all these projects it is intended to initially take up a few pilot as well as demonstrative modules. Once the pilot projects are found successful then these would be multiplied in the same places/ or and also replicated in other areas where a distinct role model of TRIFED will be definitely spelt out giving a finite time frame on their implementation vis-a-vis the outcome thereof. However, as rightly suggested a mechanism would be put in place to monitor the implementation of the pilot projects as well and record their results periodically. A Project Committee has already been set up in the Head Office of TRIFED, which is entrusted with the job, *inter alia*, of monitoring the progress.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.13, Para 6.10)

2.12 The Committee note that only one Research and Development Centre is functioning presently at Sikka Complex, New Delhi to carry out various research and development work relating to marketing development of tribal products. Besides lack of adequate equipment and laboratory instruments in the Centre, the posts of Development Chemist and Analyst are yet to be filled up. In the opinion of the Committee, the R&D Centre needs to be upgraded both in terms of technical manpower and laboratory equipment. The Committee recommend that the recruitment process of technical staff for R&D Center should be expedited and all the necessary equipment and laboratory instruments should be acquired without further delay. The Committee further recommend that some more R&D Centre where testing and certification of tribal products from various divisions of TRIFED and other private parties could be conducted, should be opened in appropriate locations to bring about quality control and generation of revenues

Reply of the Government

2.13 To take up the activities of quality Control and Development in a more efficient way, a proposal for recruitment of a Development Chemist and Analyst is under active consideration. A Committee comprising expert from outside institution and officers from TRIFED has been constituted for deciding the selection of suitable candidates. It has been decided to appoint such candidates on contract basis, for which process has already been initiated.

2.14 A list of instruments and equipment required for better functioning of the laboratory has already been identified by R&D Centre. The technical expert committee, comprising of scientists from IIT, Delhi, Director FRAC and DGM, TRIFED (R&D), during the meeting held on 23rd March, 2003 has found that the instruments identified by R&D Centre are the basic requirement of the laboratory and therefore, the purchase of these instruments is essential for running the R&D Centre. The process of purchase of

these instruments and equipment as per the recommendations of the technical expert members will be taken up shortly as soon as fund is available from the Ministry. Ministry of Food Processing & Industries has been approached for sanction of necessary financial assistance for upgradation of the laboratory.

2.15 Regarding opening of some more R&D Centres it is stated that presently stress is being given for upgrading the existing R&D Centre at New Delhi so that it could get accreditation from the concerned National Agencies and other Departments and reach a satisfactory level of performance. The opening of other R&D Centre will be taken up at appropriate time based on the performance of the existing R&D Centre and subject to availability of adequate fund for this purpose.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.15, Para 7.14)

2.16 The Committee have been apprised that Messers. Insight Management Consultants, who were entrusted with the task of suggesting ways and means for restructuring of TRIFED, have, *inter alia* recommended for downsizing of manpower of TRIFED and outsourcing of professionals/professional agencies on contract basis. The Committee take note that the Board of Directors of TRIFED had accepted these recommendations of the Management Consultants. The Committee is also of the opinion that in order to fulfil its new role as a market developer, TRIFED has to attain professional competence. The Committee, therefore, recommend that TRIFED should recruit managerial and financial experts who may help TRIFED grow into a professionally competent marketing development organisation. Steps may also be taken to downsize the organisation from its existing strength in a phased manner.

Reply of the Government

2.17 TRIFED has already started the process of obtaining professionals on contract basis and in this direction applications for the post of Development Chemist & Analyst for R&D Centre have been received and shortlisted candidates will be called for interview shortly. The job of Advertisement and Public Relation for the Federation is being entrusted to a professional advertising agency already selected for this purpose.

2.18 So as to provide financial expertise to the Management for taking important decisions, a Chartered Accountant has been recruited on deputation basis in the rank of Dy. General Manager from the National Cooperative Union of India (NCUI).

2.19 A Committee has been set up in the Head Office to examine the relevant issues relating to downsizing of the Organisation in a phased manner and to suggest course of action.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.18, Para 7.17)

2.20 The Committee regret to note that there has been frequent change of Managing Directors of TRIFED resulting in obstruction in the smooth functioning of the organisation. Keeping in view the fact that day-to-day management of the business of TRIFED is the responsibility of the Managing Director, the Committee recommend that the Ministry should ensure a reasonable tenure of office for each Managing Director. Also, only sincere, dedicated and honest person should be appointed as the Managing Director of TRIFED.

Reply of the Government

2.21 The post of Managing Director, TRIFED has been filled up by the Deptt. of Personnel & Training under Central Staffing Scheme without consulting this Ministry. However, the views of the Committee will be communicated to the DOPT when the present incumbent leaves TRIFED.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.20, Para 8.9)

2.22 The Committee note that a proposal received from Gujarat State Forest Development Corporation for opening an outlet of TRIBES Shop at Vadodara is under active consideration. However, financial arrangements for opening the outlet is yet to be worked out with GSFDC. The Committee, therefore, urge the Ministry to take an early decision for opening of the outlet and to finalise the details of financial arrangements with GSFDC. The Committee also recommend that TRIFED should set up more outlets of TRIBES shops at strategic locations all over India to promote the sales of tribal handicrafts.

Reply of the Government

2.23 One of the outlets of Tribes Shop has been opened at the Duty Free Shop at the Departure Lounge of the Indira Gandhi International Airport, New Delhi which was inaugurated on 14.8.03.

2.24 The Tribal Research Institutes have set up Tribal Museums in most of the States. Ministry may persuade the Tribal Museums to set up Museum shops which can sell ethnic tribal handicrafts from all over the country and Tribes can supply the items to such outlets.

2.25 A proposal for sale of items of Tribes Shop on consignment basis by way of tie-up with M/s. AP Handicrafts Corporation is being actively considered and after finalisation the items will be sold at retailed outlet of Lepakshi - the State Government Emporium.

2.26 On similar lines, another proposal of opening an outlet of Tribes at Baroda in collaboration with Gujarat State Forest Development Corporation, where the Tribes Shop items would be sold on consignment basis, has been received and is under active consideration.

2.27 Recently, a proposal has been received from CPKVIC (a marketing initiative of KVIC) *inter alia* for a possible tie-up with TRIFED for display/ sale of tribal products at KVIC's various outlets in the country.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.21, Para 8.11)

2.28 The Committee note that in order to generate awareness about the TRIBES Shop, TRIFED has been organising exhibitions, giving advertisement and publicity, opening an outlet at IGI Airport and Kendriya Bhandar, sending catalogues of tribal products to Indian Missions abroad, etc. The Committee desire that efforts should be made to promote tribal handicrafts by participation in domestic and international exhibitions and also a comprehensive action plan should be prepared to promote the sale of tribal handicrafts on a sustainable basis. Also, Indian Ambassadors/High Commissioners and Indian missions abroad should be persuaded to supply the names of prospective buyers for the tribal handicrafts.

Reply of the Government

2.29 A list of Exhibitions/events organised by India Trade Promotion Organisation/Export Promotion Organisation/Export Promotion Council for Handicrafts during the current financial year is placed at Annexure-I. Tribes will examine the feasibility of participation in exhibitions relating to Handicrafts, Gifts and Textile items.

2.30 Letters have been sent to the Indian Missions abroad enclosing therewith Product Catalogues of Tribes and some of the Missions have responded back sending the list of importers of handicraft items. Action is being taken on the details received.

2.31 A consignment of hand block printed hand made paper has been supplied to a buyer in Italy by Tribes. This was a follow up action to the participation in the exhibition at MACEF 2002 Milan, Italy by Tribes in September 2002.

2.32 Another order for export of handicraft from the same buyer has been received which is being readied for despatch during September 2003.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.22, Para 9.3)

2.33 The Committee note that though TRIFED's role relating to medicinal plants is limited to marketing development of already identified medicinal plants but 32 number of identified medicinal plants are facing threat to their existence in the absence of adequate measures for their controlled cultivation. The Committee, therefore, desire that TRIFED should extend its full support to National Medicinal Plant Board for preservation, conservation and cultivation of the medicinal plants found in the forest

Reply of the Government

2.34 There are innumerable Medicinal Plant species found in the forest. The efficacy of the medicinal values of all of them is neither established nor the suitability of all the Medicinal Plants to address the health and treatment issue has gained ground by way of standardisation and proper documentation. Only from the despondency of the word of mouth from one generation to the next and through the hearsay following the practices undertaken by the traditional healers, some information of the healing capacities of the plants grown in the forest keep doing the rounds. So the agenda of extending full support to National Medicinal Plant Board for preservation, conservation and cultivation of all the Medicinal Plants found in the forest is neither tenable nor is covered by the mandate of TRIFED which is marketing development activities of the agriculture produce and Non Timber Forest Produce grown and cultivated in the tribal areas only amongst which the Medicinal Plant is one category.

2.35 However, TRIFED has taken up some useful Medicinal Plants for development in tribal areas depending upon the locational needs, factors and constraints. Such Medicinal Plants are Safed Musli, Amla, Jatropha, Sarpaganda, etc. to begin with. TRIFED had already conceptualised and prepared a Project Report on controlled cultivation and propagation of Safed Musli and Amla as intercrop in Chhattisgarh which has been sanctioned and funded by National Medicinal Plant Board (NMPB), Government of India. Similarly, other Medicinal Plants, out of the 32 numbers identified by NMPB, would be taken up in different States for which TRIFED has been attempting to tie up with the State Federations. But in all these efforts, nothing can be achieved if required fund support is not provided to TRIFED.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

CHAPTER-III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

Recommendation (Sl.No.2, Para 1.18)

3.1 The Committee note that under the new Multi State Cooperative Societies Act, 2002 the Central Government can nominate at the most four persons on the Board of Directors of TRIFED as against thirteen under the old Multi State Cooperative Societies Act, 1984 out of which seven were to be tribal representatives. Further, the MSCS Act, 2002 is a general enactment applicable to all cooperative societies and not particularly to TRIFED. The Committee feel that under the new law, a Multi State Cooperative Society like TRIFED which is basically meant for looking after the interest of the tribal population may not have sufficient tribal representatives. Therefore, in order to provide adequate representation in the BOD of TRIFED, the Committee recommend that in addition to non-official members who may be from tribal community, the BOD should induct atleast 2 MPs/MLAs from tribal community only, having professional skills in the field, as associate members.

Reply of the Government

3.2 TRIFED's new Bye-laws (clause 18.1.9) provide that the Board may co-opt as Directors two eminent experts/professionals in the field highly relevant to fulfillment of TRIFED's objects and nature of services to be provided by TRIFED to its Members. Hence, two MPs can be co-opted to the Board of Directors of TRIFED provided they are having the required professional skills in the field. However, as per the latest guidelines of the Ministry of Parliamentary Affairs, no Ministry can nominate any MP to any Board except the Ministry of Parliamentary Affairs. At present the constitution of Board of Directors is at a final stage, any further induction of MPs after observing of the procedural formalities, will further delay the constitution of Board of Directors. Hence, it has been decided to continue with the present system.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.12, Para 5.8)

3.3 The Committee note that evolving a minimum support price for the MFP items on the pattern of agricultural produce and designation of a nodal agency for carrying out the price support operations is an issue concerning the National Forest Policy and is under the administrative ambit of the Ministry of Environment and Forests. The Committee, therefore, recommend that the Ministry should vigorously persuade the Ministry of Environment and Forests which in consultation with the State Governments may bring about a solution for uniform declaration of MSP under the price support scheme and designate TRIFED as the nodal agency for fixing the minimum support price for the MFP of the tribals on the pattern of FCI and NAFED for agricultural produce.

Reply of the Government

3.4 The Ministry has already taken up the issue with the Ministry of Environment & Forests. A copy of the O.M is placed at Annexure-II.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.14, Para 6.11)

3.5 The Committee note that though development of value added products from tribal produce is one of the objectives of R&D Centre, no significant value addition activities have been taken up so far. The Committee, therefore, recommend that TRIFED should urgently take up value addition activities in consultation with other research institutions involved in the same work to increase the quality and marketability of tribal products. The Committee also desire that norms and methods for scientific collection, processing and storage of MFP should be evolved so as to conform to the quality specifications of the developed foreign countries.

Reply of the Government

3.6 Since at present R&D Centre of TRIFED is not adequately equipped with manpower and equipment, therefore for value addition activities and development of norms/specifications, different Ministries/ Departments/ Institutes working in these areas have been contacted for exploring the possibilities of financial assistance and initiating the above activities jointly. Some of the main institutions contacted are as under:

(a) Ministry of Food Processing & Industry:

3.7 In an effort to upgrade the TRIFED's laboratory, TRIFED have approached Ministry of Food Processing & Industry for availing grant of Rs.15.00 lakh under their schemes.

(b) Department of Science & Technology:

3.8 Discussions have been held with Director, Science & Society Division (DST) to identify certain R&D Projects related to development of technologies on marketing development of tribal commodities suitable for implementation in tribal areas.

(c) Directorate of Marketing & Inspection (DMI): (Ministry of Agriculture):

3.9 TRIFED and DMI have many objectives in common. Representatives of both the organisations have discussed and identified certain projects to be taken up jointly. One such project is Development of Quality Standards for Mahua Flower, Neem Seed, Aonla, Sikkakai, Seeded Tamarind, Jatropha. Strategies are being prepared to initiate the projects at the earliest.

(d) National Medicinal Plants Board (NMPB):

3.10 Discussions have been held with CEO, NMPB who has requested TRIFED to prepare a suitable plan for marketing of Medicinal Plants. Financial assistance required for the above work will be met from NMPB. Suitable actions in this regard will be initiated shortly.

(e) Mahatma Gandhi Institute for Rural Industrialisation, Wardha:

3.11 Discussions have been held with Scientists of MGIRI and IIT, Delhi to jointly initiate R&D Projects in tribal areas. Some areas of cooperation have been tentatively identified. Discussions are on for deciding further course of action in this regard.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.16, Para 7.15)

3.12 The Committee further note that a training programme for the officials/staff of TRIFED on the basic aspects fundamental to the concept for marketing development was being finalised after detailed discussion with the officials of Directorate of Marketing and Inspection, Ministry of Agriculture. The Committee, therefore, desire that the Ministry should finalise the details of the training programme at the earliest so that training is imparted to the officials/staff of TRIFED to increase the level of professionalism in TRIFED.

Reply of the Government

3.13 TRIFED has already held preliminary discussion with Directorate of Marketing and Inspection, Ministry of Agriculture, for the training to be imparted. The areas chosen are

- (i) Marketing intelligence on the products
- (ii) Quality standardization of the products
- (iii) Marketing survey and study

3.14 Details are being worked out to start the process.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

CHAPTER-IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRES REITERATION

Recommendation (Sl.No.1, Para 1.8)

4.1 The Committee note that Messrs. Insight Management Consultants, entrusted with the task of studying the structure and functions of TRIFED and to suggest ways and means for restructuring so as to improve its performance have advised the need for TRIFED to come under the purview of the Companies Act. For this, it has recommended floating a subsidiary institution in the form of a corporate body which can be registered under the Companies Act. The Committee further note that spinning of a subsidiary institution in the form of a corporate body is not finding favour with the Ministry of Tribal Affairs because TRIFED will not be able to transfer a part of its business or activities undertaken in furtherance of its object in view of the restriction imposed under proviso to sub-section 2 of section 19 of the MSCS Act. The Committee, therefore, recommend that in order to switch over the TRIFED to a corporate entity, the above restriction under the MSCS Act may be removed by bringing suitable amendment in the Act itself.

Reply of the Government

4.2 The Multi State Cooperative Societies Act, 2002 is applicable to all such societies throughout the country. Since, the proposed amendment to the said Act will be applicable to TRIFED only, it will not be agreed to by the nodal Ministry, i.e. the Ministry of Agriculture and Cooperation. In a recent case where our Ministry had proposed an amendment to MSCS Act, 2002, it was turned down by the Ministry of Agriculture and Cooperation.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Comments of the Committee

(Please *see* Para 1.7 of Chapter I of the Report)

Recommendation (Sl.No.5, Para 2.5)

4.3 The Committee note that the Central Government have not found it feasible to further invest in the share capital of TRIFED due to huge losses incurred by it over the years and its unsatisfactory performance. However, in order to provide additional funds to meet the requirements of TRIFED the Ministry is revising the present scheme of grants-in-aid to State Tribal Development Cooperative Corporations including TRIFED. The Committee welcome this step but are of the opinion that to bail out TRIFED from the present financial crisis, TRIFED requires adequate capital base and for that further investment in the share capital is required from the Central Government which is the principal investor. Also, keeping in view the fact that TRIFED is performing the unique

role of marketing development for the tribal produce and has reoriented its focus from direct trading to the role of a market developer, the Committee urge the Ministry to re-examine the issue of enhancing the share capital in TRIFED to enable it to carry out its action plan for activities relating to marketing development effectively.

Reply of the Government

4.4 The requirement of funds for the promotional activities of TRIFED has already been considered in this Ministry. During the current financial year (2003-04) an amount of Rs.2.00 crore has already been released to TRIFED under the Price Support Scheme, against an allocation of Rs.6.00 crore. For the balance amount, the file is under submission to IFD for their concurrence.

4.5 The existing scheme of grants-in-aid to State Tribal Development Cooperative Corporations has been proposed to be revised so that funds can be released to TRIFED also.

4.6 Besides the Ministry have already mooted a proposal to fund the administrative expenditure of TRIFED through a Non-Plan budget head. This will ensure the payment of administrative expenditure as well as interest.

4.7 However, at this juncture with the present financial scenario where TRIFED has incurred huge losses of more than Rs.80.00 crore, any more investment in the share capital of TRIFED is likely to be turned down by the CCEA. However, restructuring process of TRIFED has already started. In case, there is a turn around in the financial scenario of TRIFED in the near future, the case of enhancement of share capital can be considered thereafter.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Comments of the Committee

(Please see Para 1.15 of Chapter I of the Report)

Recommendation (Sl.No.7, Para 2.13)

4.8 The Committee take serious note of the fact that some of the employees/senior officials of TRIFED were found responsible for bad investment by TRIFED and were also involved in irregularities relating to purchase, sales, storage, shortages, procedural lapses and other misconduct. Some of the officials/employees are facing CBI inquiry/Departmental action. The Committee, therefore, recommend that all the irregularities may be thoroughly investigated and stringent action be taken against the guilty persons. Steps taken in this regard may be communicated to the Committee.

Reply of the Government

4.9 Disciplinary action against 48 employees of TRIFED has been taken so far with respect to misconduct on various kinds of irregularities related to purchase, sales, storage,

shortages, procedural lapses and other misconducts. Out of these 12 employees were dismissed/removed from service on account of grave misconduct related to unauthorised actions, fraudulent purchases and false credentials. Major penalty was imposed on 11 employees and minor penalty was imposed on 8 employees while 7 were exonerated.

4.10 Pending 11 disciplinary cases are in progress. Further disciplinary action against 5 other employees is contemplated. Apart from this, CBI has already launched criminal prosecution against 7 former employees of TRIFED (6 of which were dismissed/removed/services dispensed during probation and one present employee). Two cases have been referred to CBI for investigation.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Comments of the Committee

(Please *see* Para 1.19 of Chapter I of the Report)

Recommendation (Sl.No.8, Para 3.8)

4.11 The Committee note that the commodities procured by TRIFED have expanded over the years of its operations. TRIFED is now procuring 57 varieties of Surplus Agricultural Produce (SAP) and 50 varieties of Minor Forest Produce (MFP) including tree borne oilseeds. The Committee have been informed that the export of MFP has stopped after 1996-97. The Committee observe that the marketing efforts of tribal produce could not culminate into business with foreign buyers due to certain constraints such as products not conforming to quality specifications, inconsistent supply base and uncompetitive price. The Committee, therefore, recommend that the Ministry should assist TRIFED in overcoming these constraints and exploring foreign market for its MFP and SAP items.

Reply of the Government

4.12 As far as TRIFED is concerned the primary area which needs attention is the development of the quality of the tribal produce. In this regard, TRIFED has already planned action in the following areas through its Research & Development Wing:

- (a) Development of norms for determining normal and abnormal losses during storage of major Tree-borne Oilseeds (Neem, Mahua Seed, Karanj, Mango Kernel & Sal Seed),
- (b) Development of Quality standard for Mahua Flower,
- (c) Good storage practices for NTFP.

4.13 TRIFED has also been exploring possibilities of export potential of various MFPs and of providing necessary service to its members for promoting exports of MFPs.

4.14 Ministry of Tribal Affairs has, however, no objection in promoting TRIFED's market development initiative as per their existing bye-laws in so far as they conform to the schemes being implemented by this Ministry.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Comments of the Committee

(Please *see* Para 1.24 of Chapter I of the Report)

Recommendation (Sl.No.17, Para 7.16)

4.15 The Committee note that in order to make the restructuring plan of TRIFED possible, an infusion of Rs.100 crore in the form of equity capital and grants-in-aid by the Central Government in the next five years is necessary. The Committee, therefore, recommend that the Ministry should give serious consideration to the financial requirement of TRIFED and take necessary steps to provide sufficient capital to TRIFED for carrying out its restructuring exercises and attaining professional competence.

Reply of the Government

4.16 The Ministry's initiative to provide funds to TRIFED for sustaining their activities has already been mentioned at reply to para 2.5.

4.17 It may be mentioned here that TRIFED has requested this Ministry to provide funds under non-plan budget head @ Rs.10.00 crore per year for carrying out its restructuring exercises and attaining professional competence. The matter has already been examined and TRIFED has been requested to provide necessary information/details as sought for by FA (TA).

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Comments of the Committee

(Please *see* Para 1.15 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.11, Para 4.14)

5.1 The Committee note with dismay that a dispute has arisen between TRIFED and Messrs. Universal Cooperative of USA over the supply of Niger Seed and the case is still pending. TRIFED has maintained that there was no written contract but the US Court had rule in favour of Messrs Universal Cooperative and TRIFED has to pay a huge amount of US \$24,9900+US \$6708 to Messrs. Universal Cooperative as out of court settlement. The Committee view the situation very seriously and opine that the dispute has not only brought a bad name to TRIFED in the global market but has also caused losses to the organization which is already running in financial crisis. The Committee, therefore, direct the Ministry to make all out efforts for settling the case without any further delay. The Committee also desire that TRIFED should tread cautiously while dealing with the global market which is highly competitive and demanding.

Reply of the Government

5.2 The issue regarding the feasibility and the mode of settlement of the case has both legal and commercial overtones and needs to be decided under proper legal advice and in full consideration of all relevant pros and cons. TRIFED has, therefore, sent the case to the learned Attorney General of India. His views are still awaited.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

Recommendation (Sl.No.19, Para 8.5)

5.3 The Committee note that TRIFED is implementing Babasaheb Ambedkar Hastshilp Vikas Yojna with the financial assistance from the office of Development Commissioner (Handicrafts) to boost the marketing of tribal handicrafts. Under this project Self Help Groups consisting of tribal artisans will be encouraged to form a society and become members of TRIFED, which will provide the opportunity of selling their products at the outlets of TRIBES in Delhi and at international airports. Keeping in view the fact that the existing supply base of tribal handicrafts is not sufficient to cater to the international market in terms of volume and quality, the Committee desire that the Ministry should assist TRIFED in creating a large and sustainable supply base of tribal handicrafts and maintaining its quality conforming to the international standards.

Reply of the Government

5.4 As far as TRIFED is concerned, TRIFED and Tribal Research Institutes in various States can jointly undertake a study to ascertain the following: -

- (a) Documentation of Traditional tribal crafts and artisans currently practising the craft.
- (b) Study the traditional methods of making the craft and suggest technical know how for improvement in the quality of product with active involvement of Designers from NID.

5.5 For requirement of funds for product development, Development Commissioner (Handicrafts) could be approached.

5.6 TRIFED on its part is already exploring the possibility of tie-up with appropriate agency/institution for initiating action in this crucial area.

(Ministry of Tribal Affairs O.M. No.16015/3/2002-CP&R (pt.) dated 13.1.2004)

New Delhi;
December, 2004
Agrahayana, 1926(Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Social
Justice and Empowerment

EXPORT PROMOTION COUNCIL FOR HANDICRAFTS

Council's Participation in International Exhibitions 2003-2004

23 rd –26 th July, 2003	HONG KONG HOUSEWARE WEEK, Hong Kong HONGKONG GIFTS & PREMIUM WEEK
5 th –8 th September, 2003	MACEF AUTUMN, Milan, Italy
7 th –10 th September, 2003	INTERNATIONAL AUTUMN FAIR, Birmingham, UK
21 st –24 th October, 2003	ASIAN GIFTS PREMIUM & HOUSEHOLD PRODUCTS SHOW, Hong Kong
31 st –3 rd February, 2004	EXPO. HOGAR REGALO SPRING, Barcelona, Spain
1 st –5 th February, 2004	INTERNATIONAL SPRING FAIR, Birmingham, UK
13 th –15 th March, 2004	SOUTH AFRICA-SARCDA INTERNATIONAL TRADE FAIR OF GIFTS & HOME DECORATIVE, Midrand, South Africa.

ANNEXURE - I

Most Immediate

No.16015/3/2002-CP&R
 Government of India
 Ministry of Tribal Affairs

Shastri Bhawan, New Delhi,
 Dated the: 5.11.2003

OFFICE MEMORANDUM

Sub: Action taken by the Government on the on the recommendation/observation contained in the 33rd Report of the Standing Committee on Labour & Welfare on TRIFED – reg.

The undersigned is directed to refer to the subject noted above and to state that the Standing Committee on Labour & Welfare in their 33rd Report on TRIFED has observed (in point 5.8) as under:

“The Committee note that evolving a minimum support price for the MFP items on the pattern of agricultural produce and designation of a nodal agency for carrying out the price support operations is an issue concerning the National Forest Policy and is under the administrative ambit of the Ministry of Environment and Forest. **The Committee, therefore, recommend that the Ministry should vigorously persuade the Ministry of Environment and Forests which in consultation with the State Governments may bring about a solution for uniform declaration of MSP under the price support scheme and designate TRIFED as the nodal agency for fixing the minimum support price for the MFP of the tribals on the pattern of FCI and NAFED for agricultural produce”.**

2. The Ministry of Environment & Forest is requested to initiate necessary action, if required in consultation with the State Government and the Central Ministry/Department, and intimate this Ministry about the status of the case.

To,

The Secretary,
 Ministry of Environment & Forest,
 Paryaran Bhawan,
 CGO Complex, Lodhi Road,
 New Delhi

Kalpana Amar
 (Kalpana Amar)
 Director {A&S}

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON
SOCIAL JUSTICE AND EMPOWERMENT HELD ON 20th DECEMBER 2004.**

**The Committee met from 15.00 hrs. to 16.00 hrs. in Room No. 131,
Parliament House Annexe, New Delhi.**

PRESENT

Smt. Sumitra Mahajan - Chairperson

MEMBERS

LOK SABHA

2. Shri M. Appadurai
3. Shri Ashok Argal
4. Smt. Susmita Bauri
5. Shri Mahaveer Bhagora
6. Shri Rameshwar Oraon
7. Smt. Pratibha Singh
8. Shri T. Madhusudan Reddy
9. Shri Lalit Mohan Suklabaidya
10. Smt. Krishna Tirath
11. Smt. Usha Verma

RAJYA SABHA

12. Smt. Jamana Devi Barupal
13. Dr. Narayan Singh Manaklao
14. Shri Ram Narayan Sahu
15. Shri Tarlochan Singh

SECRETARIAT

1. Shri R.K. Saxena - Deputy Secretary
2. Shri Bhupesh Kumar - Under Secretary

Contd..2/-

2. At the outset, Hon'ble Chairperson, welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up the draft Third Report on the Action Taken by the Government on the Recommendations/Observations contained in the Thirty-third Report of the erstwhile Standing Committee on Labour and Welfare (Thirteenth Lok Sabha) on The Tribal Cooperative Marketing Development Federation of India Limited (TRIFED) and adopted the same without any amendment.
3. The Committee authorised the Chairperson to finalise the Report and present the same on their behalf to the Parliament.

The Committee then adjourned.

APPENDIX

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE THIRTY-THIRD
REPORT OF THE ERSTWHILE STANDING COMMITTEE ON LABOUR AND
WELFARE (THIRTEENTH LOK SABHA)

	Total	Percentage
I. Total number of Recommendations	22	
II. Recommendations/Observations which have been accepted by Government (Sl. Nos. 3, 4, 6, 9, 10,13, 15, 18, 20, 21and 22)	11	50%
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (Sl. Nos. 2, 12, 14 and 16)	4	18.18%
IV. Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration (Sl. Nos. 1, 5, 7, 8 and 17)	5	22.73%
V. Recommendations/Observations in respect of which final replies of Government are interim in nature (Sl. Nos. 11 and 19)	2	9.09%