

Pradhan Mantri VanDhan Yojana

Promoting Tribal Enterprise through
Value Addition, Branding and Marketing of Forest Produces



Frequently Asked Questions – Van Dhan

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Frequently Asked Questions (FAQs) – Pradhan Mantri Van Dhan Yojana

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1. What is Pradhan Mantri Van Dhan Yojana?
 - a) Pradhan Mantri Van Dhan Yojana (PMVDY) is a retail marketing led value addition plan for Minor Forest Produce (MFP), meant for forest-based tribes to optimize the tribal income, locally. Under the program, MFP based tribal groups / enterprises of around 300 members will be formed for collection, value addition, packaging & marketing of Minor Forest Produces (MFPs). These tribal enterprises will be in the form of Van Dhan SHGs which will be a group of 15-20 members and such 15 SHG groups will further be federated into a larger group of Van Dhan Vikas Kendras (VDVKs) of around 300 members.

2. What is Van Dhan SHG & Van Dhan Vikas Kendras?
 - a) A Van Dhan SHG will comprise tribal or non-tribal MFP gatherers and can have maximum of 20 members. The SHG can have non-tribal members but majority (more than 60%) members should be tribal and leader of the SHG should be a tribal member.
 - b) Around 15 Van Dhan SHGs will together form a VDVK group of around 300 members. The VDVK can have non-tribal members but majority (more than 60%) members should be tribal and leader of the VDVK should be a tribal member.

3. Is the Scheme for procurement of MFPs at MSP related to Prime Minister Van Dhan Yojana?
 - a) PMVDY is a part of the overall Scheme for procurement of MFPs at MSP but it will be implemented independently. Any State Nodal Department / State Implementing Agency can participate in PMVDY for establishing VDVKs independent of the procurement of MFPs at MSPs.

4. Who can participate in the Scheme for forming the VDVKs?
 - a) Any tribal gatherer who is into collection of MFPs or wants to start collection & value addition of MFPs can participate in the Scheme through being part of the VDVK group. The District Implementation Unit (DIU) appointed by the State Nodal Department will have the freedom to choose any tribal collectives from Aajeevika SHGs/ JFMCs/ LAMPS/ Other tribal groups at the District level who are engaged in the collection of MFPs for formation of VDVK unit of around 300 members. Non-tribal MFP gatherers can also be part of the VDVK group but the group should have tribal majority (more than 50% tribal) and group leader should be a tribal.
 - b) If the State Nodal Department has appointed a State Implementing Agency (SIA) for carrying out the work of PMVDY in the State, then the SIA or its District units will have the freedom to choose any tribal groups mentioned above at the District level for formation VDVKs.

5. What are the Minor Forest Produce (MFP) items that will be permitted for value addition under the Van Dhan program?
 - a) The revised Scheme Guidelines have notified 50 MFP items under the Scheme. VDVK units can be established for value addition in these 50 MFP items. For any other forest produces collected by the tribal gatherers, VDVK can be established on approvals from TRIFED.

6. What should be the member size of the Van Dhan SHG & VDVK unit?
 - a) A Van Dhan SHG should comprise of maximum 20 gatherer members with more than 50% tribal. Around 15-20 Van Dhan SHGs together will comprise of a VDVK unit having around 300 members.

7. Who will form the Van Dhan SHGs & VDVKs?
 - a) The Van Dhan SHGs can be formed by any of the tribal collectives group/ Aajeevika SHGs/ JFMCs/ LAMPS/ other NGOs under the directions of the SIA / District Implementation Unit (DIU). The DIU or any other State Implementing Agency appointed by the State Nodal Department will have the responsibility of forming the VDVKs with support from the representatives of above mentioned agencies.

8. How to submit the Van Dhan proposal for receiving grant for establishing VDVK unit?
 - a) The proposal for establishing VDVKs can be prepared by the State Implementing Agency/ DIU with support from other stakeholders or by the tribal group themselves and will have to be submitted to the State Implementing Agency appointed by the State Nodal Department. All the VDVK proposals at the District level will be approved by the respective State Implementing Agencies/ DIU and submitted to the State Nodal Department (SND) for consolidating and preparing a Summary Template of the State Van Dhan plan.
 - b) The Nodal Department has to submit just the Summary Template of the State Van Dhan plan to TRIFED for approval & sanction of the State Van Dhan plan. The documents for District wise VDVK proposals will be kept at the Nodal Department/ SIA/ DIU for further references.

9. Who can support the SIA/ District Implementing Unit (DIU) for filling the VDVK proposal format and other documentation work?
 - a) The SIA/ DIU can be supported by the representative from Aajeevika SHGs/ JFMCs/ LAMPS/ Other tribal collectives or any other NGO from the District level identified by the DIU.

10. How will the funds for the establishment of VDVK be received at the District level?
- a) After the approval of State Van Dhan plans by TRIFED, funds for the establishment of VDVKs will be sanctioned from TRIFED and the funds will be parked at the Zila Panchayat and the account will be operated by the District Implementation Unit (DIU). The DIU will have the financial powers to the extent provided by the State government for transferring funds as per requirement to the VDVK unit.
 - b) The funds can also be transferred from TRIFED to any other State Implementing Agency designated by the State Government (State Nodal Department). The agency could be a State / District level body.
 - c) Once the grants have been received, the SIA/ DIU will be responsible for disbursement of funds to the Van Dhan SHGs for training, and other requirements.
 - d) Equipment/ tool kits for the VDVK shall be purchased through the GeM portal by the SIA/ DIU and made available to the VDVK. The purchase of equipment can also be done through tendering process at the District level following the GFR rules by the SIA/ DIU.
11. Does the State Nodal Department or District Implementation Unit have a Specific Point of Contact (SPOC) from TRIFED's team for assisting them and addressing their queries?
- a) TRIFED has appointed a team for each of the State with the Team Leader & Team member who will visit the State & Districts and assist them submitting their State plan and addressing their queries.
12. What support will be provided to the VDVKs for developing their business plans, processing plans, identification of equipment suppliers etc.?
- a) TRIFED will support the VDVKs through providing them with model business plans, processing plans & tentative list of equipment for carrying out the value addition work of MFPs. The details would be made available on the TRIFED's website.
13. Who will assist the VDVKs in procurement of machineries/ equipment for the value addition of MFPs?
- a) The procurement of equipment would be carried out by the SIA/ District Implementation Unit (DIU) through the GeM portal or through tender process following the GFR norms. The SIA/ DIU will have the responsibility for arranging the equipment for the VDVKs. The members of the VDVK unit in consultation with the trainers/ experts may decide on the specifications/ make/ supplier of the equipment and inform the SIA/ DIU accordingly for procurement of the equipment.

14. What support is available for formation of VDVVs.?

a) Financial:

Each of the Van Dhan SHG group will be provided a grant of Rs. 1 lakh from TRIFED for training, equipment, any other requirement for carrying out the value addition work of MFPs. The SHGs will themselves contribute to around Rs. 20,000 from their corpus for meeting the working capital requirements. Thus, each VDVV group comprising of 15 SHGs will be provided a grant of Rs. 15 lakhs from TRIFED.

b) Facilitation:

- i. Advocacy and Awareness Generation- The VDVVs will be provided with advocacy support through TRIFED and other stakeholders such as State Nodal Department, SIA, District Implementation Units (DIUs) etc. for participating in the program and undertaking value addition work of MFPs. TRIFED will engage with Ministry of Culture, GoI at the zonal levels for undertaking awareness generation through the kala pathaks.
- ii. Preparation of Business Plan – TRIFED will support the VDVVs by providing them with model business plans for each of the MFP items for assisting them in building a tribal enterprise.
- iii. Value Addition & Processing Module – TRIFED will support the VDVVs by providing them with model value addition & processing modules that will help them understand the value addition processes for the MFPs and identify tools & equipment required for carrying out the operations.
- iv. Sourcing of Equipment etc. – TRIFED will provide the VDVVs with the indicative list of equipment required for the value addition process of various MFPs. The suppliers for these equipment would be listed on the GeM portal (e-market place for Government procurement). The VDVVs would have the option of procuring the equipment from the GeM portal or tendering process following the GFR under the District Implementation Unit (DIU).
- v. Fair Average Quality of MFP – TRIFED will provide the VDVVs with the Fair Average Quality standards for the MFP items that will assist them in judging the quality of the MFP items for obtaining remunerative prices in the market for their products.
- vi. Marketing – TRIFED will support the VDVVs with identification of buyers for the value added MFP products and will also provide marketing support through its TRIBES India outlets, aadi-mahotsavs by showcasing & selling products as per the market demands.

- vii. Packaging & Branding – TRIFED will support the VDVVs for packaging & branding of value added products through assistance in making of branding logo, identifying appropriate packaging materials, size of packing, type of packaging etc.

15. What are the expenditure heads in which the Van Dhan SHGs can spend the grant received under the Prime Minister Van Dhan Yojana?

- a) The detailed break-up of the expenditure heads under the PMVDY is mentioned in the Scheme Guidelines. But, the VDVVs will be provided a reasonable flexibility in carrying out the expenditures. For e.g., if the members of the SHGs do not require training then the funds for training can be utilized in other heads.
- b) If the SHGs already have the equipment for value addition then the funds for equipment purchase can be utilized in other heads.
- c) Suggestive expenditure heads could be additional equipment, processing, packaging & branding, handling & transportation, storage, etc.
- d) The State Level Coordination & Monitoring Committee (SLCMC) or District Level Coordination & Monitoring Committee (DLCMC) will approve the various other expenditure heads of each of the VDVVs.
- e) There is no provision in the Scheme for purchase of any kind of transportation vehicle, Purchase of Storage space, etc. These facilities can be rented for VDVV operation purposes.

16. What amount of working capital corpus should the Van Dhan SHG contribute to the VDVV?

- a) Each of the Van Dhan SHG of around 20 members has to contribute minimum of Rs. 20,000 from their own corpus for the working capital requirements for the VDVV.

17. Does each Van Dhan SHG have to open a separate bank account for receiving funds under the Van Dhan program?

- a) Each of the Van Dhan SHG has to open its separate bank account to receive funds under the Van Dhan program. The SHGs can also use their existing bank accounts if they do not need a new bank account.

18. Can the members of existing Van Dhan SHGs identify or recommend new members who are interested in joining the Van Dhan program?

- a) The existing members of the Van Dhan SHGs can identify or recommend new members who can form a new Van Dhan SHG. The new members would have to contact the District Implementation Unit (DIU) for forming a new Van Dhan SHG.

19. What additional support will be provided to the VDVK to scale up operations in the future?
- a) The operations of the VDVKs developed under the Van Dhan program will be reviewed for providing additional facilities & upgradation to Pucca Kendras. The funding for the same shall be provided through TRIFED. The successful VDVKs will be chosen for providing additional funding in the second phase of the program.
20. What kind of support will be provided to the VDVKs for marketing & selling of Value added products?
- a) PMVDY aims to develop entrepreneurship among the tribals and establish tribal enterprises with complete ownership of local tribal gatherers. TRIFED will assist the VDVKs in identification of buyers and markets at the District, State & National level. It will be the onus of the VDVK to develop market linkages with the buyers, local traders, local distributors etc.
 - b) TRIFED will also procure value added products from the VDVKs as per the market demand and the quality of produce that will be sold through its own TRIBES India outlets and aadi-mahotsavs.
21. What is Demo Processing Unit & Model Training Centre?
- a) Each State has to establish two Demo Processing Units under the PMVDY. These units will have to be from the VDVKs that will be established in the State. They will act as showcasing units for all the other VDVKs in the State & Country. These Demo units will have the best processing & value addition of MFP / MFPs in the region and will have proper branding of PMVDY.
 - b) Each State needs to identify an institution of repute in their State who are already working in tribal welfare & development to collaborate with the Van Dhan program. They can act as training institutes / provide master trainers or provide business management/ entrepreneurship development training to the tribal.
22. Who will monitor development of VDVKs and support them?
- a) The monitoring of the development of VDVKs will be undertaken by the District Implementation Unit (DIU), who will assess the requirements of the VDVKs at different stages and assist them with support from TRIFED. TRIFED will develop a mobile application & online database to record, monitor & assist in the implementation of the Prime Minister Van Dhan Yojana.
23. Who has to provide utilization certificate & completion certificates to TRIFED?
- a) The District Implementation Unit (DIU)/ SIA will be responsible for the disbursement of funds to the VDVKs and will provide completion certificates (CC) & utilization certificates (UC) after the utilization of funds assigned to the VDVKs and implementation of the program.