

### Annexure 3

#### Memorandum of Understanding

##### MEMORANDUM OF UNDERSTANDING

(As per approval of Ministry of Tribal Affairs, TRIDED F.No. TFD/HO/MFP/MSP/17-18/30/IV dated 01.09.2017)

THIS MEMORANDUM OF UNDERSTANDING EXECUTED BETWEEN:  
Ministry of Tribal Affairs, Government of India, acting through the Managing Director, Tribal Cooperative Marketing Development Federation of India, a Society registered under the Multi-State Cooperative Societies Act, 1984 (Central, No.51 of 1984) having its Registered Office at N.C.U.I Building, 2nd Floor, 3 Siri Institutional Area, August Kranti Marg, New Delhi 110016, (hereinafter called "TRIFED") of the FIRST PART;  
And  
Government of (Name of the State), acting through the Principal Secretary, Department of ..... (hereinafter called the "Nodal Department") having its office at ..... of the SECOND PART.

WHEREAS for protecting tribal gatherers in the trade of minor forest produces against the unfair practices of unscrupulous market operatives the Government of India has formulated a scheme called "Mechanism for marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and Development of Value Chain for MFP" (in short, "the MFP-MSP Scheme" ), a copy of which is attached to this MOU and forms a part of it;

And whereas identified minor forest produces have been included under the MFP-MSP Scheme (hereinafter called "MFP") (List enclosed at Annexure 1) ;

And whereas the Government of India proposes to implement the MFP-MSP Scheme through the State Nodal Department;

And whereas the State Nodal department has appointed (List of the State Implementing Agencies i.e. the District Implementing Units) as the implementing agency;

And whereas the scheme envisages that the loss, if any, suffered under the scheme shall be jointly borne by the Government of India and the State Government in the ratio of 75:25;

And whereas the Government of India has already placed with the State Government a corpus of Rs..... (Rupees ... only) or will place as per proposal received for use under the MFP-MSP Scheme;

And whereas the two parts to this MOU are keen to reduce to writing the terms and conditions governing the above grant made available by the Government of India to the State Government;

NOW THIS MEMORANDUM OF UNDERSTANDING WITNESSES AS FOLLOWS:

1. That the State Government will duly budget for and make available to the Nodal Department pro-rata 25% amount for implementation of the MFP-MSP Scheme in the tribal districts of (Name of the State).

2. That the Nodal Department will make available necessary funds to the implementing agencies sufficiently in advance of the procurement season for smooth

implementation of the MFP-MSP Scheme.

3. That the minimum support price for various MFP under the MFP-MSP Scheme shall be decided and notified by Ministry of Tribal Affairs well in advance of the procurement season.
4. That the Nodal Department / Implementing Agencies shall ensure that procurement centers for MFP in sufficient numbers are set up in the tribal areas, and that mobile procurement units are deployed in all tribal haat bazars on all market days.
5. That the implementing agency will engage as procuring agents self-help groups (SHGs) formed in the State including those formed under the National Rural Livelihood Mission; LAMPS; Gram Van Samities etc.
6. That no MFP shall be procured under the MFP-MSP Scheme from any trader, middlemen or shell agency.
7. The mechanism of the MFP-MSP Scheme will be implemented in the haat bazaars to ensure tribal gatherers are paid not less than the notified MSP.
8. That the implementing agency shall pay commission to the SHGs at the rate not exceeding 7.5% of the value of MFP procured through them to be charged from the overhead expenses under the MFP-MSP Scheme. Implementing Agency shall be eligible for an incentive at the rate not exceeding 2% of the base procurement value of MFP procured as per the guidelines.
9. That the implementing agency shall, in the best interest of the State Government and the Government of India, ensure strategic disposal of the MFP collected.
10. That the value of MFP for the purpose of commission shall be computed on the basis of the minimum support price for the MFP concerned.
11. That the commission shall be transferred to the bank account of the SHG forthwith after procurement.
12. That the Nodal Department shall ensure wide and effective publicity of the minimum support price for each of the commodities through the Gram Panchayats, posters, loud-speaker announcements in the haat bazars and all other feasible means of communication.
13. That the Nodal Department shall collect through the implementing agency information relating to the prevailing price for each of the MFP through (a) Mandi records, and (b) Haat Bazar intelligence.
14. That the information regarding prevailing prices collected under para 10 above shall be communicated by the Nodal Agency to the designated e-mail ID of TRIFED on a weekly basis from the start of the procurement season to the close thereof.
15. That the Nodal Department shall undertake, also, from its own funds awareness generation activities to train the tribal gatherers in constructive harvesting practices, hygienic handling of produces, Mandi Literacy and related matters.
16. That the implementing agency and the Nodal Department shall undertake at their own cost the orientation of field-level officials and functionaries involved in implementation of the MFP-MSP program so that these officials and functionaries adopt a tribal-friendly attitude in the discharge of their duties.
17. That the Nodal Department shall identify suitable Government buildings in disuse for any reason whatsoever, and develop them as Common Facility Centers so that they can be used by the local villagers for primary processing and/or storage space for the MFP before they are sold.
18. That the implementing agency shall maintain proper accounts of the funds laid at its disposal for use under the MFP-MSP Scheme and submit these after due audit to the Nodal Department as also to TRIFED.

19. That the Nodal Department shall arrange to send the utilization certificate (UC) to TRIFED within thirty days of the end of the procurement season.

20. That the Nodal Department shall prepare and submit to TRIFED an Annual Action Plan for the following year at least three months before the commencement of the next procurement season so that budget can be arranged in time.

21. That TRIFED and the Nodal Department appreciate the fact that the welfare of tribes is a concern that cuts across departments and so both shall strive for synergy with kin departments like Rural Development, Tribal Welfare, Adult Literacy, Cottage Industries and others for holistic success of the program.

22. IN ACCEPTANCE OF THE ABOVE, the two parts named hereinabove have on the \_\_\_ day of \_\_\_ 2019 put their signatures and seal on the MOU in the presence of the witnesses named below at \_\_\_\_\_(Place)

For Ministry of Tribal Affairs For Government of .....  
Managing Director Principal Secretary (.....)

( )

WITNESSES:

- 1.
- 2.