

**Government of Himachal Pradesh
Department of Forests.**

No. FFE-B-F (5)-4/2018

Dated: Shimla-171002, the

18th September, 2018

NOTIFICATION

The Governor of Himachal Pradesh is pleased to notify the Scheme- "*Van Smaridhi Jan Smaridhi*" to enhance economic returns to the rural households engaged in collecting and selling of Non-Timber Forest Produce (NTFP) including medicinal plants through interventions at strengthening the wild NTFP resource base and improving post-harvest handling, value addition and marketing as per enclosed **Annexure -"A"** (Pages 1 to 9). This scheme shall be implemented with immediate effect.

By order

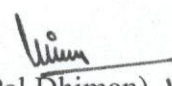
Tarun Kapoor
Additional Chief Secretary (Forests) to the
Government of Himachal Pradesh.

Endst. No. As above Dated Shimla-2, the

18th September, 2018

Copy forwarded for information and necessary action to:-

1. All the Administrative Secretaries to the GoHP, Shimla-2
2. The Pr. Chief Conservator of Forests (HoFF), H.P. Shimla-171001. He is requested to circulate this scheme to all the CCFs/CFs/DFOs in H.P.
3. The Pr. CCF (WL), H.P., Shimla-1.
4. The Member Secretary, HIMCOSTE, 34 SDA Complex, Kasumpti, Shimla-09.
5. The Member Secretary, H.P. State Bio-diversity Board, Vigyan Bhawan, Bemloe, Shimla-1
6. All the HODs in H.P.
7. All Deputy Commissioners in Himachal Pradesh.
8. The Under Secretary (Finance) to the Govt. of H.P., Shimla-2.
9. The Under Secretary (GAD) to the Government of H.P. w.r.t. the Cabinet item No. 23 dated 05-09-2018 for information.
10. The Controller, Printing & Stationery, Himachal Pradesh, Shimla-5 for publication in the Rajpatra, Himachal Pradesh.
11. Guard file.


(Sat Pal Dhiman) 18-9-2018
Joint Secretary (Forests) to the
Government of Himachal Pradesh.
Ph. No. (O)-0177-2621874.

Himachal Pradesh Forest Department

Van Smaridhi Jan Smaridhi

(A Scheme to enhance economic returns to the rural households engaged in collecting and selling of Non-Timber Forest Produce (NTFP) including medicinal plants through interventions at strengthening the wild NTFP resource base and improving post-harvest handling, value addition and marketing)

1. Introduction

Non-Timber Forest Products (NTFPs) including medicinal plants, in addition to forming an important resource base for a variety of industrial products, play a very significant role in the local rural livelihoods. Himachal Pradesh is privileged in having a bountiful of NTFPs, housed in its varied forests spread across its different agro-climatic zones. Of the 3500 odd higher plant species recorded in the State, 1489 species have been recorded to be used as NTFPs. These naturally occurring NTFPs, including edible items, fodder, fuel wood, small wood for agricultural implements, medicinal plants, roofing material, basketry material, fibre for ropes, etc., form the mainstay of rural livelihoods.

In Himachal Pradesh, as per the forest settlements, the right to collect NTFPs from forests vests in the local communities, who in accordance with the management regulations prescribed under forest working plans are free to collect NTFPs for domestic use and for trade. Most of the wild collected NTFPs like grass and leaf fodder; small timber for making agricultural implements; bamboo for basketry; leaves for plate making; firewood, etc are collected for consumption at household level and for local sale. Some of the NTFPs are in good commercial demand and are traded, providing a good opportunity to the rural communities to earn significant percentage of their annual cash income from their sale. Some of the important NTFPs of commercial significance include Anardana (*Punica granatum*), Guchhi (*Morchella esculenta*), Chilgoza (*Pinus gerardiana*), Burashphool (*Rhododendron arboreum*), Kafal (*Myrica esculenta*), Bamboo for baskets (*Arundinaria spp*; *Dendrocalamus strictus*), and many species of medicinal plants. Collection and sale of these wild NTFPs is estimated to contribute 20-25% of annual household incomes to rural households in the State. For many households, especially the ones with little or no agricultural land, this cash income is very crucial for their sustenance.

The collection of NTFPs in commercial demand and their sale, however, suffers on two counts. Firstly, the wild collection of NTFPs in the State is a highly opportunistic, individualistic and unorganized activity, often resulting in over harvesting putting the resource under stress. Wild populations of many NTFP species, especially the medicinal plants, have drastically declined due to such non-sustainable wild harvest. Secondly, the individualistic and unorganized approach makes the trade of wild collected NTFPs exploitative, resulting in low returns to the gatherers. The individual collection and sale of NTFPs also precludes any value addition at the level of the community in terms of collectively grading, drying or packaging. With village level

processing and value addition being limited to use of simple and often old technologies for oil extraction, most of the NTFP material is, thus, procured by the traders, working through layers of local agents, at the doorsteps of collectors in raw form at prices determined by the traders. Most of the value addition in form of proper drying, grading and packaging is, thus, done by the traders, often outside the State, depriving the wild gatherers of the benefits they could have taken from such processing at their end.

The issue needs to be addressed at two levels. Firstly, the NTFP resource base in the State needs to be strengthened, and secondly, the local communities need to be organised and their capacities built in post-harvest handling and primary value addition to the wild harvested NTFPs and medicinal plants before selling to traders. It would need building institutions around responsible collection of NTFPs, value addition to collected harvests, and to pilot initiatives on conservation and propagation of these valuable resources in the forests and outside the forests.

2. The Scheme

Forests in Himachal Pradesh, spread over 2/3rd geographical area of the State and forming home to about 90% of its NTFP species, form the largest productive land resource in the State with excellent potential to strengthen the NTFP sector. The forests also provide equal access to its people, especially to the rural poor with little or no agricultural land, who have substantial dependence upon the forest resources. Developing forest land based NTFPs is, therefore, likely to result in more equitable enhancement of income of the poor sections of the society.

Thus, this Scheme of the Himachal Pradesh Government titled "Van Samridhi, Jan Samridhi - 2018" aims at addressing the twin issues of (a) strengthening the NTFP resource base in the State through active participation of Community User Groups, and (b) building capacity of Community User Groups (CUGs) in sustainable harvest, post-harvest handling and value addition to wild harvested NTFPs for enhancing economic returns.

3. Goals & Objectives

The 'Van Samridhi, Jan Samridhi' Scheme aims at enhancing economic returns to the rural households engaged in collecting and selling NTFP including medicinal plants through interventions at strengthening the wild NTFP resource base and improving post-harvest handling, value addition and marketing.

To achieve this objective the scheme takes into cognizance the land-use pattern in the state, the type of dependence of communities on NTFPs, the diversity of commercially important NTFPs, traditional NTFP related trade practices and the infrastructure availability in the state and is based on the following -

- i) That the forest land, including the degraded one, provides the best opportunity to develop as NTFP resource banks, both for household consumption and for trade.

- ii) that the local communities, especially the ones having significant dependence on NTFPs and medicinal plants, have the biggest stake in developing its resource base in the State and shall be involved as co-managers in the resource augmentation process.
- iii) That development of NTFPs and medicinal plants would be based on the principle of optimum retention of economic value of the NTFPs within the state by adding quality and value.
- iv) that the marketing of NTFPs will be based on the premise of turning the present exploitative 'Buyer's Market' to value added and remunerative 'Seller's Market'.

4. Major Scheme Components

The major components of the Scheme are –

- a) **Identification and formation of Community User Groups (CUGs)**
Identification and formation of CUGs by the Biodiversity Management Committees and formation of clusters for capacity building & other works.
- b) **Allocation of forest areas to CUGs**
Allocation of forest areas to each CUG and involving them in NTFP resource strengthening in the allocated forest areas.
- c) **Multilayered augmentation plantations to strengthen NTFP resource base**
Strengthening of the resource base of NTFPs by CUGs in identified forest areas in vicinity, through multi-layered augmentation plantations/cultivation of native NTFP & medicinal species. For this nurseries of various NTFP species shall be developed.
- d) **Harvesting, post harvest handling and developing marketing facilities**
Standardizing wild harvest and post harvest handling methods viz. cleaning, drying, grading, packaging, certification, etc. for select NTFP species and setting up facilities for post harvest handling and value chain development at select pilot locations. Development of marketing facilities.
- e) **Developing Geo-Indicating brand name**
Developing a common Geo-Indicating brand name for the select NTFPs & creating data base as well as literature.

5. Involvement of Biodiversity Management Committees

Biodiversity Management Committee (BMC) is constituted under the ambit of HP State Biodiversity Board (HPSBB) in accordance with the Biological Diversity Act, 2002. It consists of a Chairperson and six persons nominated by the local body, of whom one third are women and not less than 18% are scheduled castes/scheduled tribes. Their main function is to prepare, maintain and validate People's Biodiversity Register (PBR) in consultation with local people. The BMC is to maintain a Register giving information about the details of the availability and knowledge of local biological resources which includes medicinal plants, their use or any traditional knowledge, details of the collection of fee imposed and details of the benefits derived and the mode of their sharing.

Biodiversity Management Committees (BMCs) prepare inventories of medicinal plants which are locally collected and sold in the market. HP State Biodiversity Board has constituted 604 Biodiversity Management Committees (BMCs) in different Gram Panchayats of the State. Though these BMCs have been constituted in all the 12 districts of the State, however, the Board, in the first phase, targeted 6 most biodiversity rich districts namely Chamba, Kullu, Shimla, Sirmour, Kinnaur and Lahoul & Spiti. This existing set up of BMCs in the State shall be involved for identification and creation of Community User Groups. The scheme would be implemented through members of CUGs who will carry out plantation/cultivation, regeneration and will sustainably manage, collect and sell NTFPs including medicinal plants produce for higher returns to improve their livelihoods.

6. Scheme Period

Forestry is a long gestation activity and requires long-term plan for effective results. The initial period of the Scheme has, therefore, been kept at 20 years (April 2018 to March 2038) to afford opportunity to the participating Community User Groups for effective involvement and benefit sharing from the scheme.

7. Scheme Area

The scheme shall be applicable to the entire State of Himachal Pradesh.

8. Budgetary Outlay for the Scheme

For the year 2018-19, an initial annual outlay of Rs. One Crore has been kept for the scheme. Higher outlay shall be provided in future. Efforts will be made to dovetail the scheme with Externally Aided Projects and other schemes for upscaling. The indicative break-up of the budget outlay for the year 2018-19 shall be as under:

S.No.	Particulars	Amount (INR Lakhs)
1.	Creation and Organizing of CUGs [L/S]	4
1.	Seed money @ Rs 10,000/- per CUG [10 Forest Divisions X 3 Clusters X 4 CUGs]	12
2.	Setting up of NTFP & Medicinal Plant Nurseries [7No X Rs 6,00,000/-]	42
3.	Creation of revolving fund for procurement by HPSFDC Ltd.[Rs 10,00,000/- per year for five years]	10
4.	Seed money for private entrepreneurs, NGOs/Societies for procurement & branding [Rs 1,00,000-00 per entity for 5 entities]	5
5.	Subsidy for setting up of Processing Units[25% for machinery & equipment costs subject to max. of five lakhs for 4 Units]	20
6.	Training and Workshop	5
7.	Miscellaneous Expenses	2
Total Amount (INR in Lakhs)		100

9. Implementation Mechanism

The scheme shall be implemented as follows:

- a) **State Nodal Officer:** The Additional Principal Chief Conservator of Forests (Research & Training) shall be the Nodal Officer for implementation of the Scheme, and shall be responsible for steering the scheme.
- b) **Implementing Officers:** The scheme shall be implemented by the concerned Divisional Forest Officers under guidance of the concerned Conservator of Forests.
- c) **Creation of Community Users Groups under the umbrella of BMC**

The BMCs shall identify the local people having rights and who actually collect the NTFPs including medicinal plants to form Community User Groups. Those local people who are interested in collection of NTFPs & medicinal plants shall also be included in the Community User Groups. The poor people having less other means of livelihood are generally involved in collection activities. The facilitators, field staff of the JICA project and the concerned Forest Guard shall facilitate formation of Community User Groups. HP State Biodiversity Board may also be associated in formation of Community User Groups. The Members of the CUG shall elect their Head. One member of the CUG shall be nominated as Treasurer by the DFO to maintain the accounts and other records relating to funds. Treasurer should be educated and preference be given to a member who has interest in medicinal plants. A member who is retired Government employee may also be considered for nomination as Treasurer. The CUG shall open their account in the Bank and it shall be operated with two member signatures i.e. Head & Treasurer. The data of such Community User Group(s) shall be maintained by the BMC through the concerned Forest Guard who is also the Secretary of BMC.

- d) **Organizing Community User Groups (CUGs)**

CUGs shall be organized to form clusters to produce commercially viable quantities of NTFPs and medicinal plant produce from each cluster. The Divisional Forest Officer(s) shall organize minimum 2-3 such cluster(s) in their Divisions, each cluster comprising of several CUGs collecting similar NTFPs and medicinal plant produce.

Forest Divisions having naturally abundant NTFPs and medicinal plants of high economic value in six most biodiversity rich districts namely Chamba, Kullu, Shimla, Sirmour, Kinnaur and Lahoul & Spiti shall be taken up initially under the scheme. More Forest Divisions shall be included and number of clusters per year shall also be enhanced subsequently on successful standardization of the NTFP development mechanisms.

- e) **Allocation of Land Banks to CUGs**

Each CUG shall be allocated the forest areas for NTFP management which may vary in size depending on availability in their vicinity for strengthening resource base of NTFPs including medicinal plants through augmentation

plantation/cultivation. The DFO(s) shall identify such areas for each of the CUGs identified and organized by them.

f) Multi-layered Plantations

The plantation/cultivation model for strengthening NTFP & medicinal plants resource base on the forest areas allocated to the CUGs shall be a multi-layered plantation method in which a combination of native trees, medicinal shrubs and/ or herbs of high economic value shall be planted/cultivated. For example, Daru (*Punica granatum*) or Amla (*Phyllanthus emblica*) could be the tree species, with which shrub species like Timbre (*Zanthoxylum armatum*), and/ or perennial herb species like Shatavari (*Asparagus adsendens*) can be planted. The other plantation models could be Harar (*Terminalia chebula*), Bahera (*Terminalia bellirica*), Amla (*Phyllanthus emblica*) with Shatavari (*Asparagus racemosus*); Tejpatta (*Cinnamomum tamala*) with Karipatta (*Murraya koenigii*); Chuli (*Prunus armeniaca*) with Timbre (*Zanthoxylum armatum*) and medicinal herbs (*Valeriana spp.*, *Hedychium spp.*), etc. These plantation models can be modified to fit-in trees, shrubs and herbs in the same patch. Similarly, shrubs can be planted along boundary to create live hedge. The model also provides flexibility of planting different layers of species over more than one year.

A seed money of Rs. 10,000/- shall be released by the concerned DFOs to each participating Community User Group as Grant-in-Aid (GIA) to meet their miscellaneous expenses for carrying out plantations and their maintenance. No wages are to be paid. This will remain as a revolving fund with the group and shall be recouped from the sale amount of NTFPs and medicinal plants. Plantation of indigenous species shall be encouraged. The Forest Department shall provide the planting stock from its designated nurseries.

g) Nurseries of NTFP & Medicinal Plant Species

Medicinal plant nurseries shall also be developed under this scheme to meet the demands of medicinal plants and other NTFP species for cultivation/plantation. High yielding varieties shall be raised in these nurseries for plantations by the Community Users Groups for higher yields. Dedicated nurseries for NTFPs and medicinal plants for catering to the demand of plants under this scheme shall be set up and maintained by the department. These nurseries shall be supported financially under this Scheme as well as Externally Aided Projects. In addition to this, wherever possible, nurseries developed under Externally Aided Projects shall also cater to the demands for plantation/cultivation of NTFP/medicinal plants by the Community User Groups.

h) Collection of NTFPs & medicinal plants by CUGs

It is of paramount importance that medicinal plants are not overexploited and should be collected in such a manner that its wild populations are not threatened. Collection shall be done only by the local right holders who are members of Community User Groups. No external labour shall be deployed unless allowed by the Community User Group. It shall be the duty of the members to ensure scientific exploitation and they will protect the seed & plants to ensure that the crop is maintained in the long run. The species, time of collection, quantity to be extracted and method of collection shall be decided by the BMC. The concerned Forest Guard shall give permit and monitor the

collection by the members of Community User Groups. No outsiders will be allowed.

i) Procurement of NTFPs including Medicinal Plants

The HP State Forest Development Corporation Ltd. shall be the Nodal Agency for procurement of NTFPs mainly including medicinal plants under this Scheme. Private Entrepreneurs, Societies /NGOs working in this field shall also be involved for procurement and branding. A seed capital shall be provided for these procurement agencies to build a revolving fund. These agencies shall develop marketing linkages and procure the produce from the Community User Groups at better prices for further trade in the market. In the Forest Corporation, revolving fund of Rupees One Crore shall be built up in a phased manner over a period of 5 years. Initially an amount of Rupees Fifty Lakhs shall be provided to the Forest Corporation in installments and they will further enhance this fund upto Rupees One Crore by gaining interest and adding their own income from the sale amount. The Forest Corporation shall maintain separate account for this revolving fund and will not use it for any other payments. This revolving fund shall be recouped from the Sale amount of NTFPs and medicinal plants. The Forest Corporation shall also link it up with Minimum Support Price for Minor Forest Produce Scheme of GOI implemented through Tribal Co-operative Marketing Development Federation of India Limited (TRIFED). The State Government has already declared the Forest Corporation as its Procurement Agency under the Scheme.

The Private Entrepreneurs, NGOs/Societies working in this field shall be given seed funds upto Rs One Lakh for procurement and branding for which they have to render regular accounts to the department. They shall also be facilitated to establish infrastructure from the Externally Aided Projects for procurement.

j) Subsidy for setting up of Processing Units

Subsidy up to 25% of the cost of machinery & equipments subject to a maximum of Rs Five Lakhs per unit shall given by the Department under this scheme for establishment of processing units by the Community Users Groups individually or collectively.

k) Capacity Building

The Capacity building of the Community User Groups shall be done mainly through the Project Staff under the JICA project. *Jadi-Buti* Cell proposed under JICA project shall play a major role in building capacity of the Community User Groups. For capacity building, the main focus shall be cultivation techniques of high yielding varieties, extraction techniques both for cultivated & wild species and post-harvest processing skills for value addition at local level in order to fetch better market price. The Forest Department shall also organize training programmes be build capacities of the Community Users Groups under this scheme.

1) Involvement of *Jadi-Buti* (Medicinal Plants) Cell proposed in JICA Project

Setting up of a *Jadi-Buti* Cell is envisaged in PMU of JICA Project during first year of the Project launching. This Cell will coordinate activities on NTFPs including medicinal plants. The key functions of the *Jadi-Buti* Cell are proposed as under:

- Create a brand for the medicinal plants produces in Himachal Pradesh and take up necessary actions for brand promotion at state, national and international level.
- Work on value chain development of key high altitude medicinal plants.
- Undertake advocacy for changes in the policies, legal and operative framework for value chain development of medicinal plants.
- Play a facilitating role in procurement and trade of medicinal plants in the state and ensure consistent supply to the pharmaceuticals and other industries.
- Carry out market research on a regular basis and establish market information system.
- Work with other stakeholders to promote conservation, resource development and sustainable management of medicinal plants with a focus on high altitude medicinal plants.
- Carry out widespread campaign for plantation/ cultivation of high altitude medicinal plants in order to make Himachal Pradesh an assured source of supply of important medicinal plants/ products to the pharmaceutical industries in the country.
- Collaborate with research institutes for developing agro-techniques for selected high altitude medicinal plants and sustainable harvesting protocols for selected medicinal plants, and popularization of agro-techniques and sustainable harvesting protocols.
- Facilitate institutional development of producer organisation through training, capacity building and access to business development services.

Therefore, linkage of this scheme shall be developed with the *Jadi-Buti* Cell for procurement, value addition, branding and marketing. This Cell will play a major role in building capacity of the Community User Groups by collaborating with research organizations and experts in cultivation of high yielding varieties, sustainable harvesting and marketing. The Cell will also develop a system about the current rates and market availability and information shall be sent to the members of Community Users Groups through mobile sms and emails. HP State Biodiversity Board may also be associated for marketing linkages.

10. Fund Flow Mechanism

The concerned DFO will prepare Annual Plan of Operation (APO) along with requirement of funds for each year in consultation with respective BMC/Community User Group and will submit it to the PCCF (HoFF) through concerned Conservator of Forests for the sanction of Budget for a Financial Year. The proposal for a financial year will be submitted by the end of December of previous year so that appropriate budget provisions are made in advance for the Scheme in its budgetary projections. The PCCF (HoFF) will convey the approved APO and allocation of budget to the concerned DFO. The budget shall be spent by the DFO as per the approved APO.

Preferably, the members of CUG shall be engaged by the department for carrying out various activities such as setting up of nurseries under the scheme. The budget such as seed money meant for the CUG as per the approved APO, will be released by the concerned DFO and deposited into the account of concerned CUG in the shape of Grant-in Aid. The Bank account of the CUG will be operated with joint signatures of the Head of CUG and Treasurer. The CUG will get the works of plantation and maintenance executed at its level preferably by the willing members of the CUG or engaging other labour. The plantation and maintenance in the allocated land banks will be monitored by concerned Forest Guard who is Secretary of the BMC. CUG shall initially maintain the seed money of Rs 10,000-00 as its revolving fund and it will be enhanced gradually to an amount of Rs 50,000-00 from subsequent grant from the department, sale amount of NTFPs & medicinal plants. Based on performance of CUGs and proper utilization of seed money, the department shall consider release of grant upto Rs 10,000-00 each year from second year onwards till it reaches Rs 50,000-00. The CUG will submit a completion report and Utilization Certificate (UC) for the funds received as Grant-in Aid to DFO concerned for record.

11. Benefit Sharing

For benefit sharing, out of total income from sale of NTFPs and medicinal plants, 90% amount shall be distributed amongst the beneficiaries i.e. the members of CUGs on equitable sharing basis and remaining 10% shall be retained by the concerned BMC to meet their expenses of miscellaneous activities like meetings, workshops etc. of BMC & user groups. The BMC will formulate its own procedures for equitable distribution of benefits.

12. Monitoring & Evaluation

The monitoring and evaluation of the scheme shall be done by engaging a third party. The findings of third party assessment shall be used for modifying the scheme if needed after its review.