

**Record Note of the meeting of the 3<sup>rd</sup> Coordinated Mission Steering  
Committee on the State Bamboo Mission**

**Date: 29<sup>th</sup> October 2009, 10:30 a.m**

**Venue : New Secretariat, Conference Hall No: 3.**

The list of Participants is enclosed in Annexure I.

1. The meeting was chaired by the Chief Secretary, Shri Sudhir Sharma. He welcomed all the members of the Committee to the third meeting of the Coordinated Mission Steering Committee (CMSC) constituted under the purview of Tripura State Bamboo Mission and requested Shri RCM Reddy, Managing Director of IL&FS Clusters Development Initiative, the Project Implementation Agency of the Tripura Bamboo Mission to make the presentation on the progress achieved and present the finding of the Mid Term Review Committee.
2. Thereafter, Mr RCM Reddy made a presentation on the progress achieved as reviewed by the MTR team. He also presented the Action Plan for the next phase of the Tripura Bamboo Mission upto 2013.
3. The summary of the progress achieved, as validated by the Mid-Term Review Committee, is as follows :
  - Turnover increase : The total turnover of the bamboo sector across the identified sub-sectors, in the state has increased from the base levels of Rs. 27.90 crores in 2007 to Rs. 56.56 cr. in 2009.
  - Manpower deployment by IL & FS Clusters : A Multi skilled team of 30 persons have been deployed across all four districts for implementation of TBM project.
  - Mobilization : Over the past two years 7000 poor producers have been organized across four districts.
  - Livelihoods/Employment Generated: It is estimated that 3000 incremental livelihoods have been created across the identified sub-sectors in all four districts.
  - Capacity Building : Over 5000 artisans and farmers have been trained in various value added bamboo applications.
  - Technology introduction : The project has promoted various technology introductions ranging from bamboo treatment, dyeing, Japanese Juki

machines, Taiwanese stick making machines and power tool, and finishing machines.

- Institution Development : 12 cluster level Federations have been formed and registration of one State level SPV is under progress.
- Design Development : The project has introduced over 150 new designs in partnership with NID, AIACA and leading designers from NITF, NID.
- Private Investment : Rs. 3.0 cr. across three machine stick making units and DPR for Bamboo Park prepared for future mobilization of Rs. 60 crs.
- Market Linkage : Direct market linkages with leading retailers (Fabindia, Mother Earth) and industry partners like ITC, Cycle brand, APIL and other Mat board manufacturers have been established.

#### **4. Key Issues Discussed:**

##### **4.1 Shortage of bamboo raw material and planting material.**

The committee members expressed serious concern on the issue of shortage of bamboo in the state. It was discussed in detail and the PCCF informed that already necessary steps have been initiated by the Forest Department to address this critical issue. About 50% plantation proposed to be undertaken by the Forest Department from this year onwards will be bamboo.

The PCCF raised the concern of the shortage of planting material in the state. In this regard the Mission Coordinator proposed the operationalization of the TC lab in Hatipara with the support of TBM. Due to the limited response to the EOI that was invited by TBM to operate the TC lab by a private partner, it was decided to identify a suitable technical agency who will provide the required protocol and handhold the operation for a period of one year. A proposal in this regard will be submitted to the Forest Department in this regard.

##### **4.2 Shortage of Jiget**

The issue of shortage of Jiget which is the main raw material for rolled batti was raised by the Mission Coordinator. It appears that the Forest Department does not have a correct estimate of the present availability of Jiget and there is no plan for undertaking jiget plantations. Considering the importance of jiget in the value addition of incense sticks, a two pronged approach of undertaking plantations by the Forest department and



exploring the possibility of using the synthetic jiget and other alternate material was also discussed.

#### **4.3 Review of TP levied for movement of bamboo and bamboo pre value added products within the division**

The Mission Coordinator raised the issue of double taxation for movement of bamboo and pre processed bamboo products within the division. Given that most of the bamboo value added activities in rural areas are home based work, the aggregation of produce from the various groups is inevitable. The double levy of TP within the division is causing a serious hindrance in the growth of these rural bamboo based enterprises.

The Chief Secretary advised the Forest Department to examine the matter for an appropriate solution.

#### **4.4 Community and Homestead plantations of bamboo**

As per the Central Government Guidelines there are two agencies in the state for bamboo plantations: FDAs in the forest areas and BDAs in the non-Forest areas. Based on the success of the first community plantation undertaken in Katlamara by TBM, there is an increasing demand from the SHG groups and federations in the bamboo clusters to undertake plantations to meet their raw material requirements. In this regard, the Mission Coordinator proposed that TBM may be allowed to undertake community and homestead plantations.

The Principal Secretary Agriculture stated that although this is a welcome proposition, due care must be taken so that the net cultivable land for food and horticulture crops does not get displaced.

#### **4.5 Convergence and Interdepartmental coordination**

In the state different agencies are involved in promoting bamboo related activities. The Committee felt that there is a need for better convergence and coordination of activities among various implementing departments / agencies. The schemes of KVIC too may be examined for this purpose.

#### **4.6 Association of TBM in bamboo related activities of TTAADC**

CEO TTAADC informed about there are two clusters in the ADC area that have received a sanction of Rs 5 crore per cluster under the AHVY scheme of the DC Handicrafts, Ministry of Textiles, Government of India and five more clusters are expected to be sanctioned in the next year. Since TTAADC does



not have expertise in implementing the bamboo related activities, the CEO proposed that TBM to provide necessary technical and implementation support. He suggested that the scheme may be dovetailed with the ongoing TBM activities.

#### **4.7 Exemption of VAT on rolled and finished agarbatti**

To encourage the production of rolled batti and finished agarbatti in the state by local manufacturing units and also outside investors exemption of VAT would be extremely beneficial. Already the states like West Bengal, Delhi, Punjab and Uttaranchal etc have exempted VAT on the final product. A proposal in this regard has already been initiated by the Industries Department to the Finance Department for consideration. An early decision in this regard needs to be taken.

#### **4.8 Optimal utilization of the THHDC infrastructure for market promotion**

The Director HH&S proposed that the activities of TBM and Purbasha needs to be coordinated. It was proposed that the Purbasha retail outlets may be used for promoting the sales of the new product developments done by TBM. Appropriate models in this regard may be formulated by TBM and THHDC.

#### **4.9 Enhancement of Capital Investment subsidy**

To promote the sector for industrial applications of Bamboo, the MTR recommended a special scheme with enhanced levels of subsidy with the option to dovetail other schemes of the State/ Central Government. This will be critical to attract the investment in the proposed Bamboo Park. The Principal Secretary, Industries and Commerce have requested IL&FS CLUSTERS to submit a specific proposal on this for further examination.

#### **4.10 Extension of the implementation period by TBM by IL&FS Clusters**

As per the decision taken in the second CMSC to undertake the midterm evaluation of the Tripura Bamboo Mission being implemented by IL&FS CLUSTERS under a public - private partnership mode, an independent agency called APTDC has conducted the evaluation and the report was submitted to the State Government. The MTR recommended for further extension of atleast two years in view of the challenged involved, complex nature of the project, progress achieved so far and the successful completion of the ongoing as well as the pipeline projects.



The Mission Coordinator informed that the report was presented before a subcommittee, headed by the then Principal Secretary Industries and Commerce and the Committee was of the view that a three year project extension may be considered.

## **5. Decisions Taken:**

5.1 Regarding the shortage of bamboo raw material, the following decisions were taken:

- As discussed TBM has already submitted the species and sector wise bamboo resource requirement to the Forest department. It was decided that based on the present demand situation and the future requirements of bamboo raw material, IL&FS CLUSTERS may submit an updated resource requirement report to the Forest Department.
- A Committee for plantation development headed by Shri A.K Roy, CCF Plantation and Development with representation from Horticulture Department, Rural Development Department, IL&FS & Tripura Bamboo Mission and TTAADC, will undertake the necessary resource planning for plantation activities, including the sourcing of planting material with inputs as per the requirement of the various value added bamboo applications planned in the state.
- With regard to shortage of Jiget availability, it was decided that the above Committee will examine the current status of availability of jigat in the state. It was also advised to explore the other alternate options, including the synthetic jigat that has been developed by ICFRE.
- It was decided that TBM can undertake community and homestead plantations by converging funds from various programs/schemes such as NREGA, other DRDA projects and also by mobilizing funds from other Central Government and State Government sources.

5.2 Regarding the issues related to TP for bamboo and bamboo value added products movement within the state, it was decided that the Forest Department will examine the matter of double taxation and take necessary corrective action to remove the impediments to the growth in the bamboo sector. The PCCF will convene a meeting to examine the exact legal position of TP rules on bamboo, in which the Mission

Coordinator, Tripura Bamboo Mission and IL&FS Clusters will also participate.

5.3 It was decided that in order to ensure better convergence and inter-departmental coordination, the CMSC will take into account the schemes / programs being implemented by TTAADC / JICA/ Indo - German Project and other agencies specifically in the Bamboo value added sector, while deciding future course of action.

5.4 It was decided that TBM will provide technical assistance and implementation support for Bamboo related project to TTAADC.

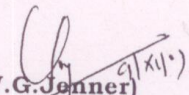
5.5 On the issue of exemption of VAT on the sale of rolled and finished aggarbatti, Finance Department will examine the matter in view of its importance to mobilize private investments in this sector.

5.6 As discussed, all new products developed under TBM can be marketed using the retail infrastructure of PURBASHA in various parts of the country based on a mutually agreed commercial format.

5.7 In view of the proposal to enhance the existing capital investment subsidy from 30% to 50%, it was decided that IL&FS Clusters will formulate the broad contours of the proposal with detailed justification for the increased subsidy level.

5.8 The CMSC accepted, in principle, the recommendation of the Mid-Term Review Committee to extend the project implementation period of the TBM for atleast two years beyond 2010, and it was also decided that IL&FS Clusters will submit a detailed proposal with action plan for the second phase.

The meeting ended with thanks to the Chair.

  
(V.G. Jenner)

Mission Coordinator &  
Member Secretary, CMSC

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