

Concept Note on Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre (CMC): Design and Delivery Mechanism under IGDC-CREFLAT Project, Tripura



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Acronyms

BMC	Biodiversity Management Committee
B2B	Business to Business
B2C	Business to Consumers
CREFLAT	Climate Resilience of Forest Ecosystems, Biodiversity & Adaptive Capacities of Forest Dependent Communities, Tripura
CMCs	Collection & Marketing Centres
CSR	Corporate Social Responsibility
FFPC	Farm & Forest Product Centre
IGA	Income Generating Activity
JFMC	Joint Forest Management Committee
KfW	Kreditanstalt fuer Wiederaufbau (German Development Bank)
NTFP	Non-Timber Forest Product
P4	Public Private People Partnership
SDFO	Sub-Divisional Forest Officer
SHG	Self Help Group
VDPIC	Village Development Planning & Implementation Committee

1 Introduction

The livelihoods of 70% of rural and tribal households in eight blocks of Dhalai and three blocks of North Tripura district in Tripura are directly or indirectly dependent on farms and forests for household's income and livelihood. Besides, it provides a wide range of social, economic, cultural, spiritual and environmental benefits to local communities. However, ensuring the multifunctional role of these farms and forests, and their resilience and sustainable use of resources remains a key challenge. The Climate Resilience of Forest Ecosystems, Biodiversity & Adaptive Capacities of Forest Dependent Communities in Tripura' (CREFLAT) is an Indo-German bi-lateral project supported by the German Agency KfW (Kreditanstalt fuer Wiederaufbau). The objective of the project is twofold: firstly, to reduce forest degradation, and secondly, to increase the incomes of the target groups. In order to achieve these goals, the project seeks to introduce sustainable, climate-adapted participatory management of natural resources in the project area. The project was launched on 13 November 2020 and is scheduled to be implemented over a period of seven years, with the aim of benefitting 107 villages in Dhalai District and 22 villages in North Tripura District of Tripura¹. The project has five outcome areas, which are outlined below:

- Participatory village-based landscape planning.
- Climate resilient forest land management.
- Measures for mitigating diverse climate impacts on biodiversity.
- Natural resources products processing and marketing.
- Support to forest sector enabling environment.

In order to achieve the project's results under outcome-4: Natural resources products processing and marketing, the project has the provision to establish the Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre (CMC)². These community-led institutions are effective channels for improving value chains to achieve sustainable forest management and improve livelihoods. The FFPC and CMC have the potential to enhance value addition, business to business (B2B) and business to consumers (B2C) linkages for income generation for local communities and encourage the cluster-led enterprise development. Besides, it facilitates to enhance natural capital, build social, institutional, and human capital, and improve financial capital. The FFPC and CMC will function as an independent community-led institutions³ of the project like a "Parents and Child" approach which have generic vertical and horizontal relationships in value chains development. The idea of the FFPC and CMC are that the farmers, who are the producers of the farm and forest products, will do the processing and

¹ There is a consideration to increase the number of villages in due course.

² The Farm and Forest Processing Centre (FFPC) and Common Market Centre (CMC) members will belong to the VDPIC, JFMC, and SHG and will originate from project communities in the same block. In the Manu Block, for instance, the Manu FFPC has 25 project villages, each with an average of 15 executive members (~ 375 people). Additionally, there are 125 SHGs, with an average of 10 members per village (~ 1,250 members), and 34 JFMCs, with an average of 8–10 executive members per village (~ 340 members). Together, these groups will create a cooperative society. Nonetheless, nine people chosen from the general membership will form the executive committee to manage the cooperative. Establishing forward links that allow the private company to buy added-value products is the main goal of the present P4 (Public Private People Partnership) strategy. The FFPC/CMC members in the project village, including SHG members, will have access to a revolving budget for production and raw material purchase. Strong market connections will boost raw material production, and raw material procurement will expand outside of project villages.

³ The Farm and Forest Processing Centre (FFPC) will be established in a strategic location in the clustered project villages to access the services of smallholder farmers. The Common Market Center (CMC) will be established within or close to the local marketplace in the project village. Both institutions will be owned by local community members from the project villages who opted to join, either by buying shares, becoming formal members, or getting involved in the value chain, like providing raw materials to the FFPC/CMC or participating in training on SMART agriculture practices, skill enhancement, or post-harvest management.

value addition for participation in domestic and national markets. It will also create an enabling business ecosystem for private investment through Public Private People Partnership (P4).

Moreover, the FFPC (A registered cooperative will be formed under the Tripura Cooperative Societies Act, 1974, as a legal entity) will have an integral linkage with the associated CMC in a product-based economic cluster using decentralised mechanisms in appropriate project locations. This integration will facilitate the regular supply chain of farm and forest products at the FFPC, thereby attracting buyers and meeting market demand in terms of volume and capacity. The value chain study report under the IGDC-CREFLAT project has recommended four potential farm and forest-based value chain products: Bamboo; Gandaki; Sesame; and Broom grass. In addition, the potential value chains products i.e. ginger, turmeric, pineapple, wild potato, rice, yam, tapioca, and vegetables. are also available in the project villages have been promoted through the 4-tier plantation to promote the potential farm and forest-based products for creating livelihoods and employment and micro-enterprise development. Further, to validate the selected value chain products, the project had organised calibration meetings in January 2025 and a buyer and sellers' workshop on 14 February 2025 in Dhalai to involve a wide range of stakeholders. Ultimately, the value chain products were validated to include: Bamboo and Gandaki (forest-based products); Sesame (farm-based product); and Broom grass (farm and forest-based products) to feed the FFPC and other 4-tier products to be collected and sold by the community members belongs to VDPIC to fetch the cash-income. Based on the lessons learnt from the value chain calibration meetings and the buyers' and sellers' workshop, the IGDC-CREFLAT project is planning to support the FFPC especially in bamboo slat processing in Manu, Dhalai, Ambassa and CMC in adjacent location. The design and operational mechanism of the FFPC and CMC will serve as a model implementation to be replicated in selected project sites with the aim of improving value chains.

2 Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre (CMC)- design

The FFPC will be established under the IGDC-CREFLAT project through the Hubs and Spokes model. The supported FFPC will function as a Hub, while the CMCs that have been established in economic clusters will operate as Spokes. The hubs and Spokes model is a strategic approach under the IGDC-CREFLAT project to process and added-value on farm and forest value chain products. This model has the potential to offer a viable solution for community businesses, with the capacity to foster local economic development, social cohesion, resource-sharing, sustainable decent business operations. The Hub will serve as the central coordinating entity, providing essential resources, services, and support to the Spokes. The HuB and Spokes may assume various forms, including a cooperative, a non-profit organization, or a local business specializing in knowledge-sharing platform, infrastructure, and logistical assistance. The HuB's function is to ensure operational consistency and facilitate economies of scale. The Spokes represent the decentralized community businesses or initiatives that operate independently but remain connected to the Hub like "Parents and Child". These businesses benefit from the Hub's resources while catering to specific local needs. The size and function of each Spokes can vary, but collectively they contribute to the overall strength and success of the network.

The establishment of FFPC at Manu, Dhalai, Tripura, as a model for the CREFLAT Project, will facilitate the networking with producers, scale and type of processing, sales and marketing of natural resources products on bamboo slats. The expansion of additional FFPCs will be determined by market demand and the learnings from the FFPC. The proposed design of the FFPC and CMC on HuBs and Spokes model implementation is shown in **Annexure-I**. The establishment of the FFPC and CMC will be subject to the following criteria:

- All-weather accessibility at roadside of state/ National highway wherever applicable with the jurisdiction of concerned block area or project location.
- Mid-point of block area.
- Electricity of adequate voltage to run the required machinery and water facility.
- If possible, in the public/Government land.
- Near the market.
- Proximity to SHGs and JFMCs and buyer's willingness.

Moreover, it is imperative for the FFPC and CMC to be registered under a relevant Act in order to legitimize its business operations and to avail itself of additional business development opportunities in terms of government benefits. There are several Acts available for the registration of the FFPC and CMC as a legal entity. The following table outlines the advantages and disadvantages of registering the FFPC and CMC as a legal entity under the available Acts is shown as below.

Table 1. Comparison of the suitable Acts to register the FFPC and CMC.

Available Acts	Advantages	Disadvantage
Tripura Society Registration Act 1860	Easy to register. Management and compliance are simple and cost-effective.	The society could not do business or share the profits among the members, the governing body will enjoy the benefit.
Tripura Cooperative Society Act, 1974	Simple process for registration, administration and compliance; simple and cost-effective; co-operative can do business and share benefits among members and could be converted in FPO under Indian Companies ACT1956.	Oversight of audit and management by the State Co-operative Authority.
Indian Companies Act, 1956 (Private Company/LLP/Not-for-profit)	Easy registration, business operation and profit sharing very simple.	Administrative costs are very high and require a number of compliance requirements that producer groups may not be able to manage.
Indian Partnership Act, 1932	Easy registration, management and compliance are simple and cost-effective, business operations are possible.	Partner conflict potential.
The Indian Trust Act of 1882	Simple to register, easy to manage and cost effective to comply with authority.	Business operation not possible.

3 Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre(CMC) operational mechanism

In accordance with the relevant Act, the FFPC and CMC will be registered⁴, thereby establishing a legal entity for the purpose of conducting business operations, banking transactions, business contracting, and the signing of memorandum of association with private business partners and other organizations. The executive members or share-holders are to be drawn from potential Self-Help Groups (SHGs), Joint Forest Management Committees (JFMCs), and Village Development Planning and Implementation Committees (VDPIC) under the IGDC-CREFLAT project, and are to be involved in the collection and aggregation of farm and forest produce according to the strength and capacity of the cluster or group.

The overall management of the FFPC and CMC will be overseen by designated office bearers is shown in **Annexure-II**. However, a Manager cum Supervisor and Accountant will be selected by the Advisory Committee and Executive Committee for day-to-day operation of FFPC. The project will cover the one-time setup costs, including machines, workspace (new or renovated), and two years of support for the manager/supervisor's salary and consumables. The FFPC's revenue will steadily drop to fund these expenses. A business plan will be developed to guarantee that all activities run smoothly. In addition, the project will invest in capacity-building and cross-learning initiatives to promote sustainability. The

⁴ The FFPC will be registered under the Tripura Cooperative Societies Act, 1974, and the Common Market Centre will be an integral part of the FFPC to become a formal member through the purchase of shares.

ideal candidate will have a proven track record in financial management, transaction processing and book-keeping. The supervisor will coordinate the production and aggregation process of farm and forest products from the adjoining CMC for a steady supply chain of raw materials for processing at the FFPC, as well as connecting with buyers/industries. In the event of the FFPC /CMC operating under a Public Private People Partnership (P4) model. An operation flowchart will be developed for smooth operation, and social safety and security, including occupational health aspects, will be addressed for the involved production team members in FFPC/CMC to build trust and ownership. The community-led producers will have the option of selling their products in the premises of the CMC in a group or independent business unit. The FFPC/CMC Advisory Committee formed and the members will be formed and the members will be appointed by the members of the executive committee of the FFPC/CMC/SHGs/JFMC/VDPIC. It is recommended a representative from the trading community or industry to be included in Advisory Committee.

4 Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre (CMC) management mechanism

The community members are belonging to SHGs/JFMCs in the IGDC-CREFLAT project villages who have a genuine interest in processing, value addition and supply chain activities involving bamboo and other farm and forest products will be mobilized and brought together to form the informal group. The informal group members will be enrolled as primary member of the FFPC/CMC through nominal membership fee. An individual member will be required to contribute at least INR 500 (five hundred rupees) as part of their membership registration. Besides, the cooperative will allocate the shares to the individual members; the cost of per unit share will be INR 100 (one hundred rupees). The executive committee will allocate the shares based on the individual application, which will allow them to register under the appropriate Act. The enrolled members (30% to be women) of the informal group will collectively form an Executive Committee cum Office Bearers comprising of 7-9 members (President, Vice President, Secretary, Joint Secretary and Treasurer and General Members) as per the provisions of the Act to register and operate the day to day functions of the FFPC/CMC. The Executive Committee will also formulate the memorandum of association as well as the articles of association for registration and legalization under the appropriate Act. Furthermore, the Executive Committee will have an Advisory Committee as a guiding force for the FFPC/CMC. The Advisory Committee will consist of 7-9 members (30% women). The Advisory Committee members to be nominated or invited will be representatives from: the VDPIC, JFMC, SHGs; Forest Department under the jurisdiction of the established FFPC/CMC, and also private business partners. The Executive Committee reserves the right to invite external individuals, organizations or institutions as required.

The primary function of the advisory committee is to receive regular updates on the FFPC's/CMC's business operations and to assess its performance in relation to community members and traders/buyers. The committee is also responsible for reviewing the financial status of the FFPC/CMC and accessing the annual audit report. A Quarterly meeting is to be held at a predetermined date and time, hosted by the Secretary of the FFPC/CMC, with the objective of discussing the latest developments and providing a platform for constructive dialogue. The committee is responsible for offering counsel on FFPC/CMC activities and for supervision to improve business. The Advisory Committee's term of office is two years, and it is subject to reorganization when a new Advisory Committee will be appointed. A general flow chart of the FFPC/CMC governance system is shown in **Annexure-III**.

4.1 Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre (CMC) economic benefits

The FFPC and CMC will have 'organic' relationship similar to the "Parents and Child" relationship for horizontal and vertical growth in the value chain development within the context of the IGDC-CREFLAT, is poised to function as a driving force for local economic development. This centre is expected to generate employment opportunities, enhance the competencies of individuals, and promote environmentally sustainable business practices.

The FFPC and CMC is anticipated to enhance the livelihoods and household incomes of individuals belonging to SHGs and JFMCs within the project villages. Furthermore, income opportunities for

women, youth and marginalized groups will be created through small business development and participation in multiple supply chains of farm and forest products. The FFPC and CMC will be established and supported under the IGDC-FREFLAT project activity within the provision of the budget line. Furthermore, the allocated budget will be varied from place to place within the provision of the project budget under the line of activities. The following table illustrates the projected economic benefits of bamboo slat processing for the FFPC/CMC to be established at Manu, Dhalai, Ambassa. The similar analysis that will be required for the new value chain product for the establishment of the new FFPC/CMC at the project locations.

Table 2 Economic analysis on processing the bamboo slats at FFPC , Manu Dhalai

(All costs in INR)						
SI.No	Particulars	Year-1	Year-2	Year-3	Year-4	Year-5
1	Fixed Costs					
1.1	Infrastructure: Working shed(400-500 square feet)- Government Building(repairing & renovation)	25000	22500	20250	18225	16402.5
1.2	Bamboo-cross cutting machine(1 HP motor +1440 RPM)-capacity 800 per day	50,000	45000	40500	36450	32805
1.3	Bamboo- radial splitter machine(5 HP +3 HP 960 RMP)- capacity of splitting 5-6 metric tons per day	235000	211500	190350	171315	154183.5
1.4	Bamboo hand-splitter (6 " +8")/ no power, capacity 200-250 kg per day per person	30000	27000	24300	21870	19683
2	Sub-total: Fixed costs (A)	340000	306000	275400	247860	223074
3.	Utilization of capacity of machine	50%	60%	60%	70%	70%
4	Variables costs					
4.1	Raw Materials- fresh bamboo poles(Mirtinga)- 400 poles Y1/ price 15 per pole+450 poles in Y2/price 18+ 500 poles Y3/price 18+ Y4/price 19 + Y5/ price 20	1800000	2430000	2700000	2850000	3000000
4.2	Salary-Supervisor cum Account Manager @ INR 8000 per month with 10% yearly increment	96000	105600	72600	79860	87846
4.3	Electricity for operating machines(5 HP *8 hrs* @INR 6 per unit) 3.37.kWT/per hours(total consumption per annum ~ 6714 units	40284	44312.4	48744	53618	58980
4.4	Water for processing centre(LS)	1200	1320	1452	1597.2	1756.92
4.5	Labour- cutting, slating, bundling @ INR 250per day/Y1; INR 300/Y2 ; INR350/Y3/ INR400/Y4; INR500/Y5*25 working days*12 months *8 labour	1125000	450000	525000	600000	750000
4.6	Spare-parts and consumables(LS) with 15% increased price	5000	5750	6613	7604	8745
4.7	Bank Interest @ 12% on working capital loan INR 5,00,000 cooperative Bank Tripura	60000	60000	60000	60000	60000
4.8	Depreciation @10% - fixed rates on machines	34000	30600	27540	24786	22307.4
4.9	Stationery & communication(LS)	10000	10000	10000	10000	10000
4.10	Miscellaneous costs(LS)	5000	5000	5000	5000	5000
5	Sub-total : Variables costs (B)	3140484	3102982	3456948	3692466	4004635.2

6	Total costs: Fixed costs & Variable costs (A&B)	3480484	3408982	3732348	3940326	4227709.2
7	Production of bamboo slats (in metric ton)/10/kg per pole	1200	1350	1500	1500	1500
8	Production of waste-based charcoal(nodes & internodes)-waste recycling	144	162	180	180	180
9	Total production (Bamboo slats & charcoal)	1344	1512	1680	1680	1680
10	Sales price of bamboo slats(per metric ton)	4200	4500	4750	5000	5250
11	Sales price per metric ton of waste-based bamboo (per metric ton)charcoal	15000	17000	18000	19000	20000
12	Sales value of bamboo slats	5040000	6075000	7125000	7500000	7875000
13	Sales value of waste-based bamboo charcoal	2160000	2754000	3240000	3420000	3600000
14.	Gross-sales (Slats+ Charcoal)	7200000	8829000	10365000	10920000	11475000
15.	Gross revenue from sales	2155000	2749000	3235000	3415000	3595000
16	Less: Tax on sales @ 30%	646500	824700	970500	1024500	1078500
17	Net revenue (after tax)	1508500	1924300	2264500	2390500	2516500
18	Revenue per unit(metric ton) on sales	5357.14	5839.29	6169.64	6500.00	6830.36
19	Variables costs(per metric ton)	2336.670	2052.237	2057.707	2197.896	2383.711
20	Break-Even Points(BEP) in production (metric ton) for profitability	113	81	67	58	50
21.	% of Return on Investment (RoI)	43.34	56.45	60.67	60.67	59.52

In addition, community engagement with the FFPC and CMC from the project villages can flourish as a sustainable economic and social business hub for local economic development. The community will develop skills and knowledge that will help to improve livelihoods and employment. The FFPC and CMC will also strengthen relationships between different age groups, encourage community members to work together for mutual benefit, promote gender inclusiveness and empower marginalized groups.

4.2 Farm & Forest Product Centre (FFPC), and Collection & Marketing Centre (CMC)- financing

The IGDC-CREFLAT project should provide financial support for the establishment of FFPCs as HuBs and CMCs as Spokes for upgrading the value chains on selected farm and forest products. Based on the value chain calibration meeting and final validation of value chain products. Currently, the project is focusing on bamboo value chain development by supporting the FFPC in Manu, Dhalai. The FFPC will initiate the processing of bamboo to produce the bamboo slats for a continuous supply chain of incense sticks industry. A potential bamboo sticks industry-based bamboo park, Agrartala, Tripura has been contacted and agreed to procure the bamboo slats from the FFPC on regular basis at negotiated market rates including time to time technical handholding support to the members of FFPC/CMC is shown in **Annexure-IV**. In addition, to establish a regular supply chain of raw bamboo poles, the project will support the reasonable number of CMCs to acts as Spokes for bamboo harvesting, involving the SHGs and JFMCs operating under the jurisdiction of the VDPIC. The CMC will also aggregate the other farms-based value chain products for direct selling through the CMC. The financial support from the IGDC-CREFLAT project is required to establish the FFPC/CMC in Manu and other project locations as mentioned below:

- **Land and Infrastructure:** include Land from Forest Department or the community (one-time); construction or renovation of production units (one-time), storage, day-care space and administrative offices (one-time) and electricity, water, sanitation and internet services (minimum six months).

- **Equipment & Machinery:** include bamboo cross-cutters; bamboo splitters (motorized and manual); transport vehicles (raw materials and finished products); health, safety and maintenance equipment (one-time). Similarly, other necessary machines and tools will be supported for other value chain products include Gandhuki, Broomgrass, sesame and spices – ginger and turmeric. The machines and equipment will be used for primary processing and adding value to products. The detailed breakup of the fixed and variable costs of Manu-FFPC has been shown in the financial plan to calculate the break-even points and return on investment (table-2). The project will establish other FFPCs using a similar approach.
- **Human resources and labour:** comprises salaries for FFPC/CMC supervisor (at least twenty-four months); training, exposure and skill building for FFPC/CMC supervisor and involved members (loss of wages as stipend; food; insurance) for twenty-four months. Advanced training to be placed in the industry for quality and standards as well as equipment maintenance (time to time).
- **Marketing and branding:** include advertising and publicity; community awareness and branding; participation in trade fairs and exhibitions (one year)
- **Licensing and compliance include:** consists of registration of FFPC/CMC as a legal entity; business registration and necessary business operating permits; MoU with private partners; annual audit and compliance (one year). The break-up of the tentative soft support costs has been shown in table- 3.

Table 3 Break-up the soft support costs at FFPC, Manu, Dhalai

Cost break-up of Soft Support and time line - FFPC Manu, Dhalai												
Sl.No.	Particulats	Unit	Rates (INR)	Amount (INR)	Time Line: Supporting Year-1				Time Line: Supporting Year-2			
					Qtr.-1	Qtr.-2	Qtr.-3	Qtr.-4	Qtr.-1	Qtr.-2	Qtr.-3	Qtr.-4
1	Salary for Supervisor cum Account Manager for 24 man-months @ INR 8000	24	8000	192000								
2	Wage loss for cutting, slating, bundling(8 skilled labor @ INR 3000* 25 working days for 24 man-months)	4800	300	1440000								
3	Capacity building for technical skills in-house(4 nos) for one week	4	250000	1000000								
4	Capacity building for management skills- accounting and records keeping, production-flow, quality control , marketing, and process-costing etc	4	250000	1000000								
5	Capacity building for standards and certification	2	300000	600000								
6	Group Insurance for FFPC workers	20	1000	20000								
7	Marketing and branding	3	350000	1050000								
8	Licencing of the FFPC/CMC(lump-sum)	1	50000	50000								
9	Annual audit, return and compliances(lump-sum)	1	75000	75000								
10	Total costs(INR)			5427000								

Based on the lessons learnt, the other value chain products such as Gandaki, Sesame, potential NTFPs will be promoted and supported through FFPC/CMC and will be replicated the approach in a similar pattern or modified according to local framed conditions in the project locations.

5 FFPC/CMC- signing MOU/ Agreement with private partners

In order to facilitate business transactions related to the FFPC and the CMC, a Memorandum of Understanding (MoU) will be executed between the reliable traders, industries, or buyers. Correspondingly, the FFPC will also enter into an MoU with its cluster-based CMC, which is affiliated with SHGs/JFMC or individual entrepreneurs from the designated project villages, for the procurement of semi-finished and finished products, or raw materials. The MoUs will explicitly delineate the parameters of quality, quantity, delivery time, price, and payment, with these terms to be periodically reviewed in accordance with mutual consent and allocated other responsibilities. Additionally, the MoUs will stipulate the agreed service charges, which are to be allocated to the establishment of an endowment fund for FFPC/CMC repairs, maintenance, and audit and compliance requirements. It is recommended that a tripartite agreement be established between the FFPC/CMC, the Forest Department and private partners in order to ensure reliable and trustworthy business practices, with the possibility of the Forest Department withdrawing from the tripartite agreement once the enterprise is fully established, and the two parties entering into an agreement under the supervision of the FFPC's/CMC's Advisory Committee.

6 Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre (CMC) sustainability

The long-term sustainability of the FFPC/CMC necessitates a balanced approach that integrates economic viability, environmental responsibility and social development. Ensuring equitable benefit distribution among members of the involved SHGs and JFMCs is pivotal to fostering social cohesion and incentivizing participation in the FFPC, including the CMC in the IGDC-CREFLAT project. The creation of employment opportunities, the enhancement of household incomes, the contribution to local economies, and the reinvestment in community development are also crucial. The sustainability parameters of the FFPC and CMC could be delineated as follows:

- The creation of direct employment among the involved SHGs/JFMCs members in processing or in the supply chain of the FFPC/CMC is to be encouraged.
- The FFPC/CMC should adopt a direct benefit transfer mechanism for the payment of remuneration and prices, ensuring regular and transparent payment.
- It is vital to ensure the provision of social benefits, including safety and security in the workplace and health benefits, such as policy and free medical check-ups.
- Identify/demarcate, protect and manage existing bamboo growing areas, especially commercial/industrial utility species such as *Mritanga (Bambusa tulda)*.
- Promotion of commercial/industrial bamboo in homestead and farm boundary in convergences with the line departments.
- Periodic skill development and technology transfer on scientific farming and harvesting in tune with changing market-demands.

Furthermore, local supply chains should be strengthened based in collection and marketing centre by sourcing supply from nearby producers. In addition, community savings (credit and thrifts) should be improved through shared financial mechanisms, including financial literacy as well as family household budget planning. Finally, the provision of support for one-time seeds capital or working capital through project funding or loan from VDPI revolving funds, including hand-holding support through training and capacity building, i.e. robust business plan; product pricing; and process-flow; and market intelligence.

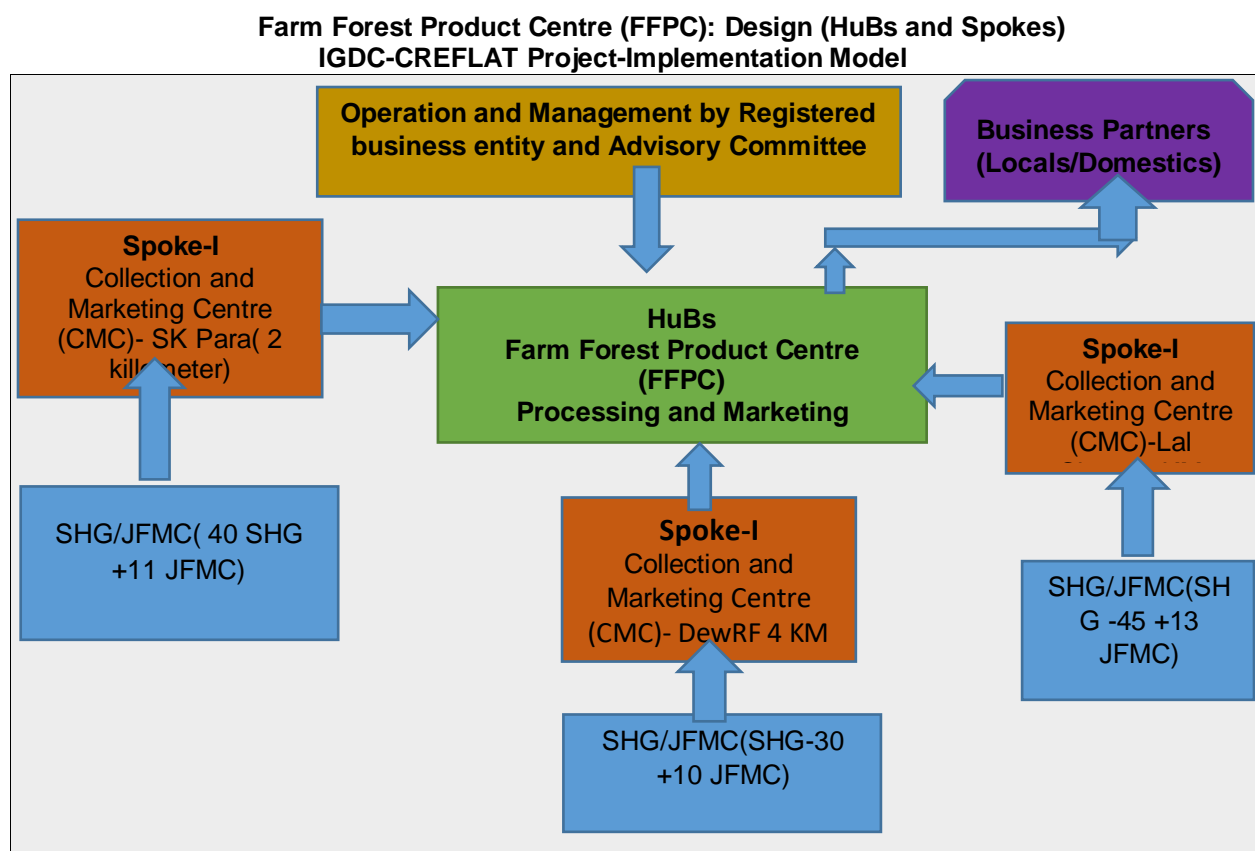
7 Farm & Forest Product Centre (FFPC) and Collection & Marketing Centre (CMC)- exit strategy

A well-planned exit strategy is paramount for the long-term sustainability and seamless transition of a FFPC/CMC when the IGDC-CREFLAT project is phased out, encompassing aspects such as funding/working capital, technical assistance, and management oversight. A meticulously designed exit strategy precludes disruption, ensures economic benefits, and empowers members to assume complete ownership of the FFPC/CMC, thereby facilitating uninterrupted operation with minimal reliance on external resources. By prioritizing local ownership, financial stability, institutional strength, and a graduated transition, the FFPC/CMC can maintain its role as a sustainable catalyst for farm and forest-based local economic development. The key components of a smooth exit strategy for the FFPC/CMC are outlined below:

- **Capacity building and local ownership:** It is essential to ensure that FFPC/CMC members possess the technical, managerial, and financial skills necessary to effectively operate the centre.
- **Leadership transition:** It should be facilitated to train a local management team or cooperative leadership. Clear decision-making mechanisms, such as cooperatives, self-help groups, or local committees, should be established.
- **Financial sustainability and revenue diversification:** FFPC/CMC must demonstrate during the project period that it can generate sufficient revenue to sustain itself without external funding, facilitate microfinance or revolving funds, cooperative savings, or partnerships with local banks, and establish stable buyers and contracts for the sale of products, standard operating procedures (SOP), and ownership transfer on created assets, i.e. buildings and machines.
- **Patronage of the Forest Department:** Given that the FFPCs/CMCs are likely to function from within the premises of the Department's assets or new CMCs are likely to be constructed in forest land. Local forest department resource persons are included in the participatory process with such groups so that linkages are built during the development process. Hence, it is envisaged that the Forest Department will continue to extend its patronage to the FFPCs and/or CMCs even beyond the project funding. It will help to avail the required support and linkages and scale-up the approach on FFPC/CMC in natural resource sector. Moreover, the Forest Department should attempt to link the FFPCs & CMCs with the emerging new schemes of the Government to develop a confidence on investment for scale-up and scale-out the FFPC/CMC approach beyond the project boundary.

Standardize operational and management procedures: The FFPC/CMC should have legalized documents for the use of national and international certifications such as ISO standards; other food product certifications and organic certifications, including an annual audit report with profit and loss statement.

Annexure-I: Proposed design of the FFPC/CMC- HuBs and Spokes model



Annexure-II: Executive Committee –cum Office Bearers- FFPC/CMC

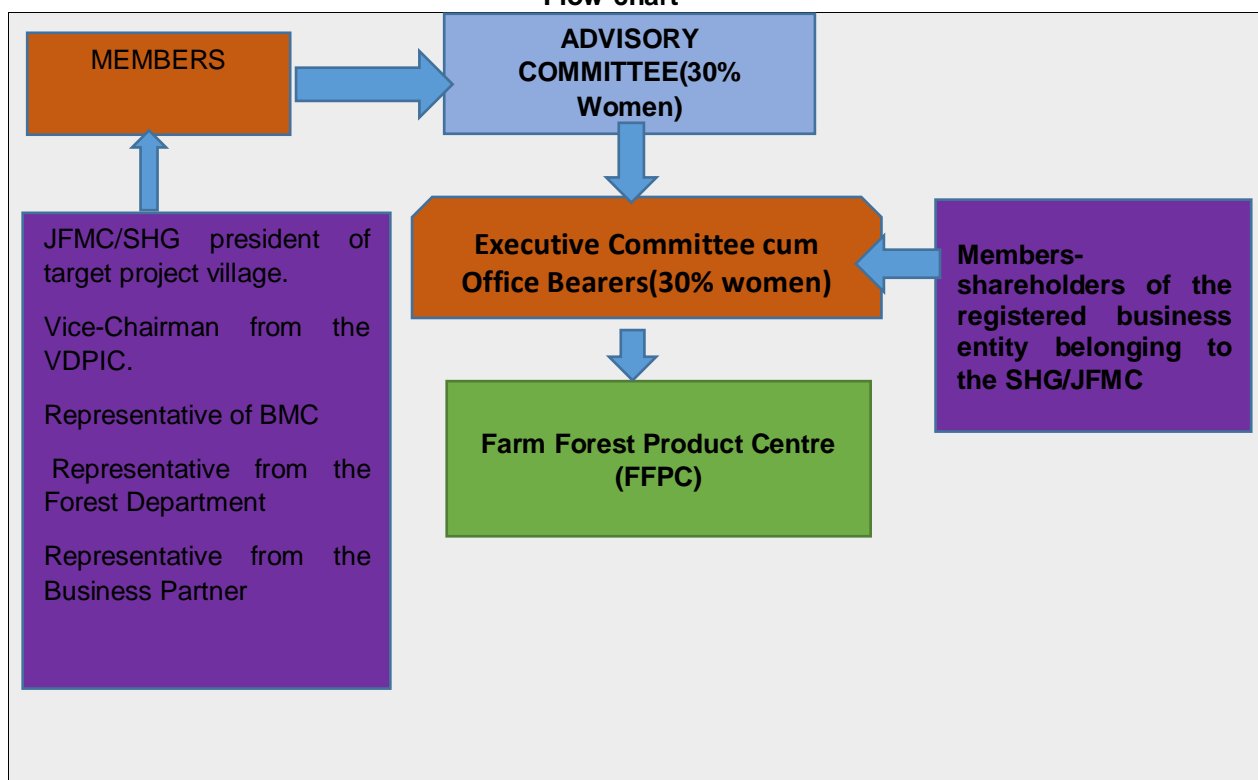
Sl.No.	Position	Basic Qualifications and experience	Tenure
1.	President	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act
2.	Vice-president	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act
3.	Secretary	Preferably Graduate , basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act.
4.	Joint Secretary	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act
5.	Treasurer	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act
6.	Member	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act
7.	Member	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act

8.	Member	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act
9.	Member	10+2, basic business ideas and community mobilization and belongs to SHG/JFMC	3 years or as per the Act

In addition, general shareholders from SHG/JFMC.

Annexure-III: Flow-chart of Governance system of FFPC/CMC

Farm Forest Product Centre (FFPC) and Collection and Marketing Centre(CMC): Governance Flow-chart



Annexure-IVTRIPARTITE MEMORANDUM OF UNDERSTANDING (T-MoU)

This Tripartite Memorandum of Understanding ("T-MoU") is made and entered into on this -----
-----day of-----, **2025**, by and among:

1. **Farm and Forest Product Centre, Manu, Dhalai**, an informal body promoted under the **IGDC-CREFLAT** project belongs to the Self-help Groups (SHGs) and Joint Forest Management Committee (JFMC) recognized by the IGDC-CREFLAT project, having its operation space office at JB Para, Manu, Dhalai hereinafter referred to as the "First Party";
2. **"XYZ Business Partners**, a registered company under the Indian Companies Act 1956, having its corporate office XXXX and address XXXX in India, hereinafter referred to as the "Second Party";
3. **The Member Secretary, Concerned VDPIC, Manu, Dhalai**, Government of Tripura, having its Sub-Divisional Forest Office at Manu, hereinafter referred to as the "Third Party".

WHEREAS:

The First Party comprises the Self-Help Groups (SHGs) and Joint Forest Management Committees (JFMCs) members involved in the cultivation, collection and processing of farm and forest products. It recognizes the need for a cooperative framework to enhance sustainable production, value addition and market access for farm and forest products, particularly bamboo slat processing for local economic development;

The second party is engaged in procuring the bamboo slats or xyz products as per the quality and standards of the industry; and providing technical and capacity building support to the FFPC and other members for the smooth operation and management of the FFPC.

The third party is the IGDC-CREFLAT project, Department of Forest, Government of Tripura, which is involved in supporting the infrastructure of the FFPC/CMC including necessary machinery, space for setting-up the FFPC, and CMC and tools and allocating designated bamboo forest area for sustainable harvesting and management practices by the local farmers belonging to SHG and JFMCs.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

OBJECTIVE The objective of this Tripartite Memorandum of Understanding (T-MoU) is to establish a structured collaboration between the parties for sustainable collection, harvesting, primary processing and marketing of farm and forest products, exclusively bamboo slat processing, to ensure equitable economic benefits to the farmers (SHG/JFMC) while conserving bamboo forest resources.

I. ROLES AND RESPONSIBILITIES

First Party Farm and Forest Product Centre (FFPC)

The Self-Help Groups (SHGs) and Joint Forest Management Groups (JFMCs) will play a pivotal role in the operation of the Farm and Forest Centre (FFPC) as well as Collection and Marketing Centre (CMC) and also forward market linkages with reliable business partners i.e. XYZ business partners for livelihood and income generation. By ensuring sustainable forest use, skill development and economic empowerment, SHGs/JFMC groups contribute to both environmental conservation and community empowerment. The responsibilities have been expanded to include resource management, skill development and economic benefits for the SHGs/JFMs groups belonging to the IGDC-CREFLAT project village. Further, the roles and responsibilities have been delineated as below:

- Sustainable forest management: Provide technical know-how and cooperation to the SHG members and JFMs to protect and conserve the allotted forest and ensure sustainable harvesting and management practices for continuous supply chain management of bamboo raw materials and processing at the Farm and Forest Product Centre (FFPC) as well as Collection and Marketing Centre (CMC).
- Promoting community livelihoods: Facilitate collection and supply of bamboo resources (Mirtinga and industrial processing species); ensure equitable distribution of forest resources

among SHGs/JFMCs; and promote local entrepreneurship at Collection and Marketing Centre (CMC) through farm and forest-based products to involve women and youth.

- Operation and management of FFFPC/CMC: Ensure steady supply of processed material (bamboo slats) as per quantity and quality to XYZ business partners; promote environment-friendly and sustainable business practices and market linkages.
- Capacity building and training: Conduct awareness events on sustainable bamboo forest management and sustainable harvesting techniques; promote skills and learning in processing of bamboo slats and other bamboo waste-based products.
- Financial and institutional management: Managing funds and grants received for the forest department for hardware as well as software support; ensuring fair wages and benefits for SHGs/JFMCs involved;
- Conflict Resolution: Promote transparency and accountability among participating members; XYZ business partners; and IGDC-CREFLAT project.

Second Party XYZ Business Partners Shall:

XYZ Business Partners play a vital role in supporting the Farm and Forest Product Centre (FFPC)/Collection and Marketing Centre (CMC) by providing necessary investment, technical expertise, market linkages and sustainable business practices. Their involvement ensures economic growth, skills development and improved livelihoods for the local community. In addition, the roles and responsibilities have been further delineated as follows:

- Infrastructure development: Supporting technological advances for efficient production and ensuring quality control in the sourcing and processing of materials.
- Skills development and capacity building: Conducting training programmes on modern production techniques and quality standards; providing workshops on financial literacy, entrepreneurship and business management; supporting innovation in product diversification to increase market demand.
- Market development and ethical business practices: Facilitate access to national and international markets for FFPC bamboo slat products; CMC-led market-driven farm produces, develop branding, marketing strategies and certification (where appropriate); and implement corporate social responsibility (CSR) initiatives to support community development; transparent payment system and rates.

Third Party IGDC-CREFLAT Project Shall:

The IGDC-CREFLAT is a development project to improve forest and enhanced income among the forest dwellers. The Farm and Forest Product Centre (FFPC)/CMC operates sustainably while benefiting local communities. By balancing conservation with economic opportunities, they help to promote environmental sustainability, community empowerment and economic resilience. In addition, roles and responsibilities have been further delineated as follows:

- Allocation of bamboo forest areas and infrastructure development: Allocating the designated bamboo forest areas for sustainable management and harvesting practices; funding from IGDC-CREFLAT project for infrastructure development; necessary machinery and tools; capacity building for Farm Forest Product Centre (FFPC)/CMC; implementation of conservation strategies to prevent over-exploitation and deforestation.
- Mobilization: Encourage the formation of self-help groups (SHGs), cooperatives or forest user groups for sustainable income generation.
- Monitoring and support: Conduct regular meetings and visits to ensure compliance by the Farm and Forest Product Centre (FFPC) and Collection and Marketing Centre (CMC).
- Exploring with the First Party, CREFLAT as Third Party also narrows down to a few other local value chains to support exit strategy parameters of sustained production and gradual diversification of value chain products.

II. TERMS OF ENGAGEMENT

- The Agreement shall be valid for a period of two-years, subject to renewal upon mutual understanding.

- Pricing and payment mechanisms shall be determined based on fair market practices and agreed upon annually.
- Any disputes arising under this understanding shall be resolved through mutual dialogue, and discussion.

III. TERMINATION

- This memorandum of understanding may be terminated by either Party upon thirty-day written notice.
- In the event of a breach of this memorandum of understanding by either Party, the breaching Party shall give written notice specifying the breach and requiring corrective action within a specified period of time.

IV. GENERAL PROVISIONS

- Any amendment to this Memorandum of Understanding must be in writing and duly signed by all parties.
- This Agreement constitutes the entire Memorandum of Understanding of the parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding as of the date first written above.

V. Signed by the parties:

For and on behalf of Farm and Forest Product Centre/CMC(Place)	For and on behalf of XYZ Business Partners	For and on behalf of IGDC-CREFLAT Project
Name and signature: Designation: Date:	Name and signature: Designation: Date:	Name and signature Designation: Date: