

District Mineral Foundations (DMFs) for Sustainable Mining Communities in Rajasthan

a research study...



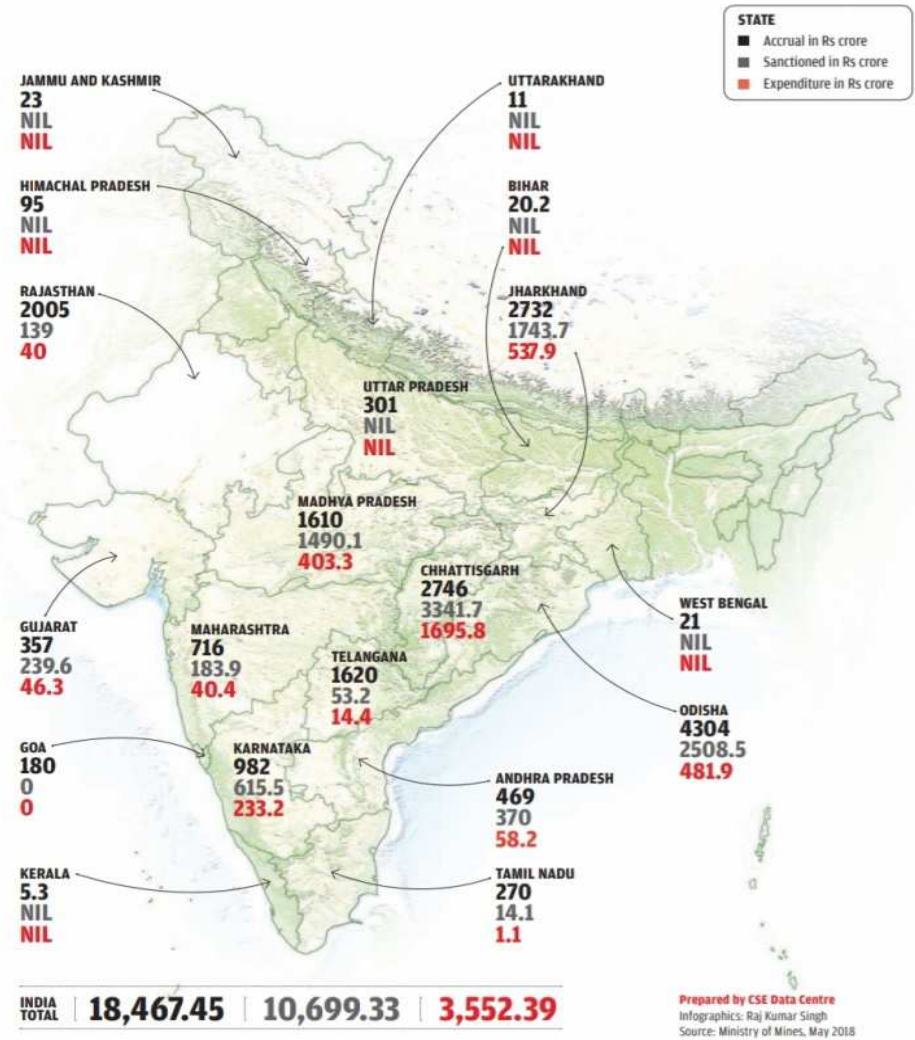
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6. **Discussion Points**

1. District Mineral Foundations (DMFs)

- The Mining and Minerals (Development and Regulation) Act 1957 underwent a significant amendment in March 2015 to create provision for *District Minerals Foundations (DMF)* to be established in all mining districts of India
- Purpose of this amendment (creation of DMFs) was to develop a mechanism (and accompanying funds from mining companies) for addressing adverse impacts of mining activities on communities living in and around the mining areas.
- Implementation of the DMFs started from September 2015 – and was linked to the *Prime Minister Kshanj Kshetra Kalyan Yojana (PMKKKY)* to help deliver developmental and welfare programmes for these communities.

STATE-WISE DMF ACCRUALS, SANCTIONS AND EXPENDITURE



2. DMFs in Rajasthan

State government vide *notification* dated 31-05-2016, enacted DMFT Rules, 2016 to establish district mineral foundation trust in each district of the state as *a non-profit body* in the mining operation affected districts. In *all 33 districts* District Mineral Foundation Trust has been established in the state.

3. Rationale of the Study

- Social, Economic and Environmental sustainability related challenges are common in mining & minerals sector – and continue to cast grave adverse effect locally
- Given the importance of resources (minerals and mining) for an expanding economy and evolving consumer choice, it is important that mining and mineral exploration and processing is done in a scientific, safe and sustainable manner
- District Mineral Foundation (DMFs) can play a key role in mitigating adverse effects on local community/environment - critical for 'balanced' mining and mineral development
- Study aimed to assess status of implementing of DMFs in 2 important mining districts of Rajasthan, and suggest improvements (operational and policy/institutional)

4. CHITTORGARH

4.A. KEY FACTS

- Literacy Rate: 61.7% (Male: 76.6; Female:46.5)
- HDI: 0.558 (Ranked 27th in Rajasthan)
- Rural Population: 82%
- Access to basic services: Electricity: 82%;
Drinking water: 98%; Toilet Facilities: 21%

4.B. INCEPTION

- Before DMF: INR 10/- per Ton Mineral was contribution to welfare fund/ Environment Management Fund (unspent till date)
- May, 2016: Notification from State reg. DMF
- Trust Registration: done by State Govt.

4.C. FINDINGS

4.C.(i). Policy and Planning

Lack of Needs Assessment to identify 'critical areas' for DMF funds to be invested

No 'Operational Guidelines' at the state-level, so full liberty to district authorities to adopt their own approaches

Wide rules – interpretational problems & lack of clarity

Definition of indirectly affected areas not clear

Selection of proposals – no specific pattern/guidelines to identify priorities

Grievance Redressal mechanisms to resolve conflict of interest of stakeholders is missing

4.C.(i). Policy and Planning (contd..)

Power dynamics in DMF Committees, seems to significantly influence the DMF implementation and project selection

A 'project management' approach to effective implementation and monitoring of interventions seems absent

Allocation and reservation of funds of DMF should be as per Govt. guidelines i.e. 5% for disabled, and certain defined percentage for SC/ST etc.

Expenditure of Env. Mgmt. Fund – required

No evidence was seen about the engagement with key local stakeholders to raise awareness about DMF, and seeking inputs

Not much information among Mining/Mineral Companies-about status of interventions

Not much information/clarity about the engagement of Panchayat Samities

4.C.(ii). INSTITUTIONAL STRUCTURE & STAFFING

Executive Head – ACEO ZP, Member Secretary – Mining Engineer, GC Head – Zila Pramukh

Project documentation – ZP/Mining/DMF Cell; Financial documentation – AO

GC Meetings – bi-monthly; MC meetings – fortnightly

No Industry engagement in planning and implementation / No industry rep. in GC

No Gram Pradhan / Sarpanch is Member of any committee

Power dynamics in GC meetings RS5

Little engagement and involvement of local NGOs and organisations

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RS5

Leave this comment at this stage

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4.C.(ii). INSTITUTIONAL STRUCTURE & STAFFING (contd..)

1. Only two contractual staff in DMF Cell as DEOs

2. More competent staff needed in DMF for better implementation of huge funds available

3. Existing Govt. officials have additional responsibilities (Mining/Accounts/ZP)

4. Lot of pressure on existing staff who are not dedicated exclusively for DMF

4.C.(iii). IMPLEMENTATION

1. DMF Cell – no direct implementation – only monitoring

2. Maximum expenditure in areas of – Education, Drinking Water and Environment Protection

3. Maximum spent on infrastructure development, less on rehabilitation and welfare of directly affected people and areas

4. Focus is on large projects only

5. Time taken in the work is a major challenge (tendering process etc.)

4.C.(iii). IMPLEMENTATION (contd..)

1. Constitution of Block Monitoring Committee (BMC) - AEN and SDO/BDO to monitor and report to the District Authorities – is a ‘good practice’

2. Constitution of Monitoring and Quality Assurance Committee (MQAC) under DMF is a ‘good practice’

3. Direct contribution provision is there in the Notification, but the same hasn’t been exercised

4. Convergence with CSR initiatives of companies not observed

4.D. FELT NEEDS (based on fieldwork)

- 1. Road connectivity in villages**
- 2. Availability of drinking water**
- 3. Improvement in agriculture productivity**
- 4. Construction of new ITIs**
- 5. Two – three Sulabh toilet complex in each villages**
- 6. Girl education (separate schools) and vocational courses for girls**
- 7. Barat Ghar/ Community Centres**
- 8. Development of parks**
- 9. Sanitation/ water drainage**
- 10. Skill Training and Employment creation**

4.E. Suggestions – Strategy

- 1. Suggestions to improve structure of GC and MC by active participation of multi-stakeholders**
- 2. Each Dept. to have different action plan w.r.t. DMF and these plans should be merged by DMF Cell**
- 3. State Govt. to notify and make it easy to recruit staff under DMF (new recruitments or engaging external agencies to coordinate)**
- 4. For small funds or Project below the cost of 10 lakh's execution should be from panchayat structure**
- 5. Focus should be on innovative projects for welfare and rehabilitation of directly affected people / communities**
- 6. Convergence with CSR initiatives of companies**

4.E. Suggestions – Operational

- 1. A programme for silicosis affected people under DMF**
- 2. Minimum 3 to 5% funds should be exclusively for differently-abled people / issues in affected areas**
- 3. Promotion / execution of employment-linked programme under DMF (Dairy Work, Chilling Plant, Animal Husbandry, Agriculture – Compost)**
- 4. Most of the villagers were unaware about existence of DMFT. Need to create awareness among villagers**
- 5. Mining labour is not covered under the purview of relevant labour legislations, initiatives should be taken to ensure that they get all Govt. benefits.**

5. BHILWARA

5.A. KEY FACTS

- Literacy Rate: 61.3% (Male: 75.2; Female:47.2)
- HDI: 0.633 (Ranked 15th in Rajasthan)
- Rural Population: 78.7%
- Access to basic services: Electricity: 75.7%;
Drinking water: 96.7%; Toilet Facilities: 23.4%

5.B. INCEPTION

- Before DMF: INR 10/- per Ton Mineral was contribution to welfare fund/ Environment Management Fund (unspent till date)
- May, 2016: Notification from State reg. DMF
- Trust Registration: done by State Govt.

5.C. FINDINGS

5.C. (i). PLANNING AND POLICY

Anyone can submit the proposal to DMF, not required to route through people's representatives.

There is no ***set of criteria*** for selection of projects. Selection of projects where DMF should invest money would have to be based on a ***set of criteria***.

Projects brought forward by Panchayat Samitis are not given preference. Projects proposed by the Govt. Departments are given priority.

A respondent from industry shared that method of seeking proposal is inappropriate. Meetings invite notice is too short, and the key members aren't able to participate.

It is still confusion if Brick Manufacturers fall under the purview of DMF or not.

Mining Engineer and District Magistrate (DM) seems often influenced by the Elected representatives in relation to the DMF planning and implementation.

No information on mechanism of grievance redressal or conflict resolution is in place under DMF.

5.C. (i). PLANNING AND POLICY (contd..)

Annual Action Plan is developed at the beginning of the year

Scope of work is kept three-fold of the budgeted amount. In addition new proposals are accepted throughout the year.

Block-wise work strategy was developed for carrying out the DMF projects in Bhilwara.

As per an estimate, about INR 1.0 crore is daily collection under the DMF from the district.

Governing Committee has approved Rs 388 Crores for FY 2018-19. This figure is a substantive jump from FY 2017-18 which was Rs 226 Crores

Usually Proposal are received from Department (8 main departments) and MLAs/*Jan Pratinidhi* .

RS12

Notice period to Departments for submission of proposal is often short.

5.C. (i). PLANNING AND POLICY (contd..)

No specific contribution from DMF to the disability related scheme or programmes. There is no effective role of the Department of Social Welfare in the Governing Council and Management Committee of the DMF

The villages near the mining areas, should be developed as the 'DMF Model Village',

A mapping or survey/listing of the most vulnerable groups and high priority areas in the district should be done and accordingly the programmes for their welfare under the DMF should be developed

RS13

5.C.(ii). INSTITUTIONAL STRUCTURE & STAFFING

Exclusive office for the DMF in the building of the District Collectorate.

There is a Governing Council and a Management Committee in place as prescribed under the Act.

Governing Council meeting happens twice a year. – Political dynamics during meetings.

5.C.(ii). INSTITUTIONAL STRUCTURE & STAFFING (contd..)

There is a DMF Cell in the district and following staff are place in it:

Accountants – 2

Data Entry Operators – 3

Establishment section – 2

Support staff – 3

Key technical issues before the DMF Cell are for the assessment of the proposals received by them in absence of the required manpower.

2 Executive Engineers and 6 Engineers are required in the DMF. Governing Council has approved the appointment of these 8 posts but qualified manpower in not available to fill these positions in the district.

5.C.(iii). IMPLEMENTATION

Delay in initiation and completing the work by Govt. agencies to whom works are allocated – their priority is other large projects

DMF Funds are utilised in renovation and construction of hospital/health facilities' buildings, and Medical equipment. There are no projects under DMF related to the delivery and quality of health care services.

Many proposals have been submitted by the Sarpanch to DMF Office containing the developmental needs of the village but no consideration

There is no Annual Report of the DMF but brief note on the activities is prepared.

Most of labourers and their families in the district are migrated from Bihar, Uttar Pradesh and other nearby States/districts. These migrated people are not entitled to receive government benefits under several schemes/ programmes.

5.C.(iii). IMPLEMENTATION (contd..)

Most of the infra projects are allotted to the PHED, but they are being stretched beyond their capacity particularly with respect to projects on schools infrastructure.

Infrastructure projects which are allocated to the concerned Government departments, charge 5 to 13% Overheads (Admin costs) which creates revenue for that department and that 5 to 13% of DMF fund does not reach to the needy people.

Silicosis is prevalent in some particular areas. There is one village in the district where about 60% - 70% of population are widowed. All the males died due to the Silicosis. Village name – Khorodia ka Khera it is popularly known as widow's village.

No infrastructural and basic facilities and no health facility (any kind), no drainage system - water is logged here and there, no drinking water facility available in some of the villages studied

5.D. FELT NEEDS (based on fieldwork)

Construction of Community Centres in the Mining affected villages

Availability of the Safe Drinking Water

Construction of small link roads in the villages

One Fire brigade in each Nagar Palika level

A lot of work in prevention and protection from diseases is required in mining affected areas

Construction of Hospitals and Primary Schools

5.E. Suggestions – Strategy

DMF should be managed by the Zila Parishad instead of present practice of it being managed by the Mines Department. Zila Parishad is the specialized agency for the developmental related work so DMF should be managed by them.

The **Auditor** should be appointed by the Central Govt.

There is need more competent manpower to manage the DMFT. State government should come up with 'Implementation/Operational Guidelines' for DMF Trusts.

Works related to the infrastructure development should be controlled now as too much work has already been done in this. Works on Education, Health, Drinking Water services should be promoted under DMF

Maximum benefits under DMF should be ensured for the people directly affected by mining activities and for the environment protection.

Implementation process should be apolitical

5.E. Suggestions – Strategy (contd..)

There should be empanelment of external expert agencies for planning and execution of DMF projects

DMF should also focus on disability related scheme or programmes for this active coordination with Department of Social Welfare should be ensured.

The villages near the mining areas, should be developed as the 'DMF Model Village',

A mapping or survey/listing of the most vulnerable groups and high priority areas in the district should be done and accordingly the programmes for their welfare under the DMF should be developed

DMF should also work in close cooperation with the Tribal Area Development (TAD) Department, Department of Education and Department of Labour and should run the relevant projects together.

Respondents of the study were of view that there should be privatization of the tasks under the DMF.

5.E. Suggestions – Operational

Many people are suffering from silicosis problems. Silicosis Camps are required to be organized by the Health Department once in a month in the mining affected identified areas. There is requirement of a Silicosis Diagnostic Van also. This can be done under DMF.

One time assistance allowance and monthly allowance should be provided to the Silicosis affected workers and their dependents

In Cluster Mining areas, large projects should be developed like big hospitals, schools or other such facilities – these facilities should only be for mining affected people. plantation in the Dump-yards between the mining areas.

There should be provision for appointing doctors/health care staff under the DMF Fund.

Insurance of the Mining Workers should be done.

There should be a solution to problem of not covering migrated workers under government schemes/programmes.

Need for sports promotion among youths

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RS19

Bring Suggestions made earlier, the ones I have highlighted here

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5.E. Suggestions - Operational (contd..)

There are many brick manufacturing units in the district. There is problem of bonded labour practices in these units. Initiatives to identify and rehabilitate these workers should be taken.

There is acute problem of alcoholism among labourers working in the mines. Programmes for de-addiction and rehabilitation should be encouraged.

In mining areas, following health related problems are usually found:

- Problems of Respiratory Systems – TB, Silicosis etc.

- Malnutrition problems – particularly among women and children

- Cancer due to tobacco habits

Health examination of the mine workers should be done periodically in the mining affected areas.

Directly affected villages should be top priority for providing basic services.

Very few people in the villages are aware about the DMF Trust, Fund and its mandate. Awareness Generation should be done.

6. SUGGESTIVE DISCUSSION POINTS RS20

- What are some of the most pressing (sustainability related) challenges facing Mining affected Communities in Rajasthan? What should therefore be the priority for DMF, vis-à-vis the issues/areas?
- What factors can help make the DMF more effective – considering the entire process (from Project Identification, Design, Implementation & Monitoring/Evaluation). What steps can be taken by the State Government to enable this process? What role should be played by the Central Government (Ministry of Mines)?
- What are some of the ‘good practices’ in DMF implementation that have been witnessed in Rajasthan (Policy, Institutional and Implementation specific), and what lessons can be learnt from them?

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RS20

There are a few common points between this and the following Slide - please combine them

RIJIT SENGUPTA, 01/09/2018

6. SUGGESTIVE DISCUSSION POINTS

(contd..)

- How to enable Policy Environment for effective functioning of DMF?
- Reinvigorate Institutional Arrangements – how to ensure engagement of multi-stakeholders?
- What Partnerships and Outsourcing Models should be adopted?
- What should be the modalities for selection of Projects under DMF?
- Patterns for Projects implementation, quality check and handholding.

THANK YOU