

The provision of District Mineral Foundation (DMF) in India's central mining law, 'Mine and Minerals Development and Regulation (Amendment) Act, (MMDRA) 2015', creates an opportunity to give the long-standing dues to the mine affected communities and also restoring the sustainable ecosystem. A judicious utilization of the funds collected under the DMF towards both improving the socio-economic status of the mining-affected communities and maintaining ecological balance in the affected areas remains a moot point of concern. Although the DMF looks like a progressive action by the government, a number of issues with regard to fair sharing of mineral resources for the affected communities are still unanswered. Along with those unanswered issues regarding fair sharing of resources, several other drawbacks, that have already been identified at this preliminary stage of DMF implementation, must be addressed to make DMF more effective.

CONTEXT

Globally, it is a common phenomenon¹ that countries, rich in minerals, are often marred by corruption, authoritarian repression, militarization, civil war etc., and one of the major causes behind this is to take control over these riches. Within countries, it is also very common that governments and mining companies exploit mineral resources, keeping the local communities deprived. It often leads to social unrest, fueling civil and interstate conflict as well. On similar lines, India is also experiencing corruption, mis-governance, crony capitalism, environment and human rights damage and conflict in the mining areas. Across the states in India, extraction of mineral resources is also often seen to be connected with entrenched poverty, high inequality and possible emergence of rentier states.² For instance, mineral-rich Odisha has the worst development outcomes (measured in poverty and deprivation), despite having the largest share in country's total value of mineral production and earning a hefty share of its own non-tax revenue from the mining sector.

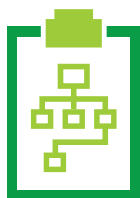
Among the 11 states, which contribute more than 90 percent of the total mineral production in the country, Odisha (10.6%), Jharkhand (7.7%) and Chhattisgarh (6.7%) have much higher shares of the total value of mineral production in the country. On the contrary, poverty rates in Odisha (32.6%), Jharkhand (37.0%) and Chhattisgarh (39.9%) are much higher than the national average (21.9%).³ This paradoxical situation is much worse in the tribal-predominant mining regions of Odisha,

Jharkhand and Chhattisgarh.² These contradictory facts clearly indicate that local communities are not getting benefitted from these local resources. So, some focused policy interventions are required to address the problems. Given the fact that the situation could be aggravated further due to huge demands⁴ for minerals in the coming years, it must be addressed in an urgent manner.

DISTRICT MINERAL FOUNDATION (DMF)

It is a positive sign that upon realizing the urgency of sharing mineral wealth with the poor in the mining areas, the Government of India created provisions under Section 9B of the 'Mine and Minerals Development and Regulation (Amendment) Act, (MMDRA) 2015'⁵ for the establishment of District Mineral Foundation (DMF).⁶ DMF is a non-profit statutory 'Trust' for each and every district affected by mining-related operations. The main objective of DMF is to protect the interest of communities and benefit the people in those areas. It is evident that for years, mining has benefitted mining companies, individual miners and governments, not the communities living there. Because of mining, people are displaced from their land and suffer other negative consequences like loss of livelihood, health risks due to extreme pollution of environment and lack of provision of basic facilities, but are never adequately compensated. This is the reason for the poor socio-economic and environmental status of most mining affected districts.⁷ DMF could play a critical role in addressing the issues and be considered as a way to deal with the impacts of mining on the affected communities, which they have been denied for decades.

RECOMMENDATIONS



TO MAKE AN EFFECTIVE IMPACT ON MINE AFFECTED COMMUNITIES AND RESTORING LOCAL ECOSYSTEM, WHICH ARE THE KEY OBJECTIVES OF DMF, A PARTICIPATORY AND BOTTOM UP APPROACH OF PLANNING AND IMPLEMENTATION IS THE PREREQUISITE. THESE MUST BE ENSURED IN EVERY LEVEL OF FUNCTIONING OF DMF. PANCHAYATI RAJ INSTITUTIONS (PRIS) SHOULD BE GIVEN A LARGER ROLE IN PLANNING AND EXECUTION OF WORKS TAKEN UP UNDER DMF. FOR CAPACITY BUILDING OF THESE LOCAL BODIES, POLICY THINK TANKS AND NGOS CAN PLAY A CRUCIAL ROLE.



KNOWLEDGE BASE ON MINING AND DMF SHOULD BE STRENGTHENED ACROSS THE STATES AROUND MINERAL RESOURCES/REVENUE, ROYALTY AND DMF RESOURCES AS THIS INFORMATION IS VERY IMPORTANT FOR LONG TERM PLANNING OF DEVELOPMENTAL AND WELFARE ACTIVITIES IN THE MINING AREAS. ALL THE DISTRICTS SHOULD HAVE A WEBSITE WITH UPDATED DATA ON THE ROYALTY COLLECTED, ACCRUED, AND EXPENDITURE UNDER DIFFERENT HEADS INCLUDING INFORMATION ON WHO HAS BENEFITTED FROM THIS RESOURCE.



KEEPING IN MIND THE VERY LOW LEVEL OF FUND UTILISATION (33%) AT PRESENT, NUMBER OF DEVELOPMENTAL ACTIVITIES MUST BE INCREASED IN THE COMING YEARS, IN LINE WITH THE LOCAL NEEDS, TO UTILISE DMF FUNDS FULLY. GIVEN THE HUGE DEVELOPMENTAL NEEDS IN THE MINING AFFECTED AREAS, IT IS NOT ACCEPTABLE THAT THESE FUNDS ARE KEPT IDLE.



COMMUNITIES LIVING IN AND AROUND THE MINING AREAS NEED TO BE EQUIPPED WITH ADEQUATE INFORMATION ON THE PROVISIONS OF MINING RELATED REGULATIONS. THIS WOULD LEAD TO BUILDING A COMMUNITY BASED MONITORING MECHANISM TO OVERSEE DMF WORKS AND ALSO TO CHECK ILLEGAL MINING. IT MAY ALSO INCREASE THE RESOURCE BASKET OF THE DMF.



DMF FUNDS SHOULD BE INTEGRATED WITH THE PANCHAYAT PLANS AND THE FIVE YEAR PLAN NEEDS TO BE DESIGNED FOR THIS SPECIFIC FUND WITH DUE APPROVAL BY THE PANCHAYATS.



A CERTAIN AMOUNT OF CORPUS FUND, FOR THE ABANDONED MINING AREA WHICH ARE LEFT BY THE MINING COMPANIES AFTER EXPLORATION, SHOULD BE EARMARKED.

CURRENTLY, DMF IS LARGELY UNDER THE CONTROL OF DISTRICT COLLECTOR. THERE SHOULD BE PROPER TRANSPARENT AND ACCOUNTABLE MECHANISM OF PLANNING, DISBURSEMENT, MONITORING AND IMPACT ASSESSMENT OF THE USE OF THIS FUND.

PROPER AUDIT MECHANISMS NEED TO BE IN PLACE THROUGH THE CAG. FURTHER, PROPER LEGISLATIVE MECHANISM TO MONITOR THE AMOUNT AND QUALITY OF UTILIZATION OF DMF RESOURCE SHOULD BE IN PLACE. AS OF NOW, THIS MONEY IS OUT OF THE PURVIEW OF THE LEGISLATIVE SCRUTINY.

It is strictly targeted to serve the communities/people in mining-affected areas, and the MMDRA 2015 provides an opportunity to get the share of mineral revenue directly from the mine lease holder for the development of affected communities.

The communities/people in areas affected by mining, people having legal and occupational rights over the land being mined and also people having 'usufruct' (user rights) and 'traditional rights' are entitled to get benefit from the DMF. Under the DMF rules, miners/mining companies operating in the district will pay directly to the DMF Trust of that district. Payment to be made for minor and major minerals (e.g. coal, iron ore and bauxite) is

10 per cent of royalty paid to the state government for leases granted on or after 12 January 2015; and 30 per cent of royalty for leases before that.

It is also clearly articulated in the (MMDRA) 2015 that the money coming to DMF must be spent on development works and activities that will address the basic needs of people in mining affected areas and benefit them directly. To implement and utilise the DMF funds properly, the Central government in September 2015 launched the Pradhan Mantri Khanij Kshetra Kalyan Yojna (PMKKKY), to bring all the DMF money under its purview. It gave clear guidelines regarding where DMF money use is to be prioritised (see Box 2).

It is known that welfare programmes and activities can vary between mining districts depending on the scale of mining operations across districts. But there are 'High Priority Areas' specified by law, where **at least 60 per cent** of the money must be used. The welfare programmes and activities will include facilities for drinking-water supply, proper infrastructure for sanitation, creation of primary and secondary healthcare facilities, developing educational institutes and vocational training centres and supporting infrastructures, welfare of women and children (through special efforts for addressing problems of maternal and child health, malnutrition etc.), welfare of aged and disabled people, skill development (for livelihood support, income generation and other economic opportunities) etc.⁷ Under these broad welfare programmes, specific micro activities are also defined.

It is also well defined where DMF money cannot be used. The law also specifies that no more than 40 per cent of DMF money should be spent on big infrastructure projects, such as, making roads, bridges, railways, waterway projects, irrigation and alternative energy sources. In principle, DMF money should only be complementary to state funds available for infrastructure projects. Further, no more than 5 percent of DMF funds should be used for administrative purposes.⁷

The Central Government in exercise of the powers conferred under section 20A of the MMDR Act, 1957, directed the concerned state governments to incorporate the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) into the rules framed by them for the DMF and to implement the Scheme. It should be noted that DMF is to work in the areas affected by mining related operations in the states, the State Government has an important role to effectively reach out to the affected communities in the affected areas.

IMPLEMENTATION OF DMF RULES IN THE STATE LEVEL

In 2016, out of the 12 mineral rich states of the country, 10 states (i.e. Goa, Karnataka, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Rajasthan, Telangana, Andhra Pradesh and Gujarat) have framed rules for DMF and DMFs have been set up in 287 districts.⁸ Later, Maharashtra and Tamil Nadu also framed their DMF rules. It is good that most of the states have framed DMF rules and set up DMFs. So, it would be worthwhile to have a careful look on what is being mandated by means of MMDRA (Amended), 2015 regarding DMF and what is happening as a matter of ground reality. Despite the fact that DMF is at its nascent stage, the pattern of fund utilisation can give a preliminary indication about the implementation status of DMF.

It is evident from the **Table 1** that in the 12 mineral rich states, out of total funds INR 10699 crore allocated for DMF, only INR 3552 crore has been used. That means,

BOX 2: PRIORITY AREAS UNDER DISTRICT MINERAL FOUNDATION

Broadly, DMF money should be used for the following purposes:

- Implementing various developmental and welfare projects/programmes in mining affected areas and supplementing existing ongoing schemes/projects of the state and Central government.
- Minimizing/mitigating the adverse impacts during and after mining on the environment, health and socio-economic status of people;
- Ensuring long term sustainable livelihoods for mining affected people.

TABLE 1: ALLOCATION & UTILISATION OF FUNDS UNDER DISTRICT MINERAL FOUNDATION

STATES	ALLOCATION OF FUND UNDER DMF (INR CRORES)	UTILIZATION OF FUND UNDER DMF (INR CRORES)	PERCENTAGE OF (%) UTILISATION
CHHATTISGARH	3342	1696	51
JHARKHAND	1744	538	31
MADHYA PRADESH	1490	403	27
ODISHA	2509	482	19
TOTAL -12 STATES	10699	3552	33

Source: <http://mitra.ibm.gov.in/pmkkky/Documents/Annexure%202.pdf>, accessed on May 17, 2018.

TABLE 2: PROPORTION (%) OF DMF FUND UTILISED ACROSS DISTRICTS⁹ IN CHHATTISGARH & ODISHA

	0-25 %	26-50 %	51-75 %	76-100 %
NO. OF DISTRICTS IN CHHATTISGARH	0	7	14	6
NO. OF DISTRICTS IN ODISHA	19	1	0	0

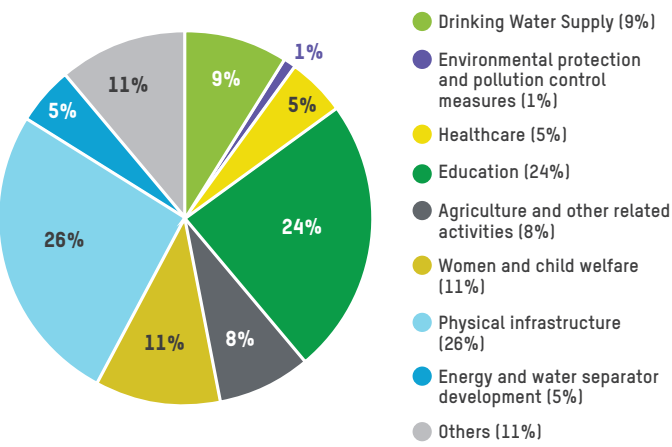
Source: <http://mitra.ibm.gov.in/pmkkky/Documents/Annexure%202.pdf>, accessed on May 17, 2018.

utilisation rate is as low as 33 percent. Among the top few mineral rich states, Odisha performs the worst with only 19 percent of utilisation of DMF funds. Only Chhattisgarh (51%) and Karnataka (39%) has the utilisation rate higher than the all states’ average of 33 percent utilisation. But, it should be kept in mind that total magnitude of DMF funds in Karnataka is only INR 616 crore. The utilisation rate of 51% in Chhattisgarh is the highest as the state has utilised INR 1696 crore out of total INR 3342 crore of DMF funds.

However, a detailed scrutiny of the utilisation in state level may give more inferences on quality of expenditure or whether funds are being spent as per the DMF rules. Among all states as Chhattisgarh has the highest utilisation rate (51%) of DMF funds, it would be worthwhile to get further into the details. If district-wise fund utilisation is examined, it would be visible that in Chhattisgarh, utilisation rate varies in a wide range from 39 percent in Dantewada to 100 percent in Bemetara.¹⁰ Similarly, number of works and its completion rates also varies widely across states.

Further, if priority of spending across different developmental activities are compared, it would be visible that merely 1.4 percent of the total DMF fund is being utilized for environmental conservation activities (see Chart 1); although it is one of the core activities enshrined in the DMF policies. **Even within this meagre 1.4 percent amount, a miniscule amount is being spent on the actual environment conservation activities like water treatment plant, tree plantation, etc.** It is observed that the major activities being undertaken under environment component is not at all related to conservation of environment (see Table 3); rather all these activities

CHART 1: PROPORTION OF DIFFERENT CATEGORY OF WORKS TAKEN UNDER DMF ACTIVITIES IN CHATTISHHGARH



Source: http://www.dmf.cg.nic.in/back_log_work_report_category_wise.aspx

are part of the already existing umbrella schemes like MGNREGA, NRDWP, Ujjwala, etc. The funds under DMF is being diverted to these schemes. Another very recent example of fund diversion from the DMF is the notification put out by the district administration of Keonjhar in Odisha to hire doctors using funds from DMF. This step for diverting the fund under DMF was appreciated by the Chief Executive of NITI Aayog.¹¹ It is quite likely, that these types of anomalies like fund diversions, low funding in priority areas could also be visible across states, at this initial stage of DMF implementation.

TABLE 3: ACTIVITIES TAKEN UNDER ENVIRONMENTAL PROTECTION AND POLLUTION CONTROL MEASURES FROM DMF	
DISTRICT	TYPE OF WORK
BALODA BAZAAR	<ul style="list-style-type: none"> • Pond deepening and beautification work Village Damakheda • Pond deepening and beautification work Village Bitcule • For beautification work of Indira Colony Talab (Murum Mine) of Bil Dhanbaza
BASTAR	<ul style="list-style-type: none"> • Dalpat sagar ka Beatification work • Dalpat sagar ke dharampura and Jagdalpur said ke outlet ka nirman • Gas connection to 352 Anganwadi With Chulha (Gas Oven) • Restoration of Dalpat Sagar Lake Jagdalpur • Plantation of Mango Trees
BIJAPUR	<ul style="list-style-type: none"> • PM Ujjwala Scheme
BEMETRA	<ul style="list-style-type: none"> • For installation of 1000 watts power capacity 01 Nos. Serial mart light in the district hospital premises.

BILASPUR	<ul style="list-style-type: none"> • Land Co-ordination work in Gram Panchayat Pakuriaia Janpad Panchayat Gorela
BALOD	<ul style="list-style-type: none"> • Natural water purification structure for purifying red water
DANTEWADA	<ul style="list-style-type: none"> • CCTV installation work in Karli Mahadev Temple Samalur • CCTV installation work in Ganesh idol temple • Plantation work in the hostel & ashram of the district
DURG	<ul style="list-style-type: none"> • Ujjwala Scheme
GARIYABAND	<ul style="list-style-type: none"> • Under the convergent scheme for the construction of parking Sedan (Parking Space) and pond revitalization work in village panchayat Sarhau
JANGIR CHAMPA	<ul style="list-style-type: none"> • Pond Beautification
JASHPUR	<ul style="list-style-type: none"> • Ujjwala Yojana
KABIRDHAM	<ul style="list-style-type: none"> • For upgradation and conference tables in first floor of district office • For the purpose of Electricity and AC work in the proposed Environment Center, Meeting Hall at the first floor of the District Office
KANKER	<ul style="list-style-type: none"> • LPG gas Connection
KORBA	<ul style="list-style-type: none"> • Pond Digging and Beautification
KORIYA	<ul style="list-style-type: none"> • Plantation and Landscaping of collectorate Forest and district Court Building other Compound • Work for tourism development in Amrit section • Creating Retaining Wall in Amkundi Nala R.C.C. Drain Construction West Wear Construction & Pipeline Construction
MUNGELI	<ul style="list-style-type: none"> • Name Shade Construction Work Home Guards Office, Lalakapa
NARAYANPUR	<ul style="list-style-type: none"> • Biogas Plant
RAIGADH	<ul style="list-style-type: none"> • Environment Park Raigarh • Garden Maintenances and repair and road rearing of Indira Vihar Garden at Raigarh at Division Raigarh • Work of Road filling, Painting & Cleaning, Repairing & repairing drain, Construction of toilet
RAIPUR	<ul style="list-style-type: none"> • Rainwater Harvesting • Sewage plant for Girls Hostel • Deepening of Pond
RAJA NANDGAON	<ul style="list-style-type: none"> • Pond Beautification • Garden Plantation
SUKMA	<ul style="list-style-type: none"> • Tree Plantation in newly constructed collector's and government buildings
SURAJPUR	<ul style="list-style-type: none"> • Pond Deepening • Community Hall Construction
SURGUJA	<ul style="list-style-type: none"> • Gas Connection to Aganwadis • Pond Beautification • Solar Lights installation

Source: http://www.dmf.cg.nic.in/backlog_work_entry_status.aspx ; accessed on June 29, 2018

PRESENT CHALLENGES AND THE WAY AHEAD

The kind of anomalies, that have been discussed, were also brought to attention in a 'Round Table on District Mineral Fund', which was jointly organised by the Oxfam India and Nabakrushna Choudhury Centre for Development Studies, Bhubaneswar in March 2017. It came out in the discussion, among many other issues, that DMF funds either remained under-utilised or were squandered away. Several other pertinent issues, like, awareness generation, administrative set up, bottom up approach of planning and monitoring, etc. were intensely debated along with some concrete suggestions to make DMF more effective. These have been mentioned in the subsequent sections.

DEVELOPING A STRONG KNOWLEDGE BASE ON MINING RESOURCE AND DMF:

The amount of money mobilized under DMF depends on the amount of mineral royalty collected and thus magnitude of mining exploration by the states. Whether the mining companies are depositing the mandated percentage recommended by the MMDRA 2015 as royalty needs to be monitored. A mechanism of checks and balances has to be put in place to ensure accountability. For this purpose, creating the knowledge about total mineral deposits in a district/or state, rate of mineral extractions, total royalties collected etc. is the prerequisite. Most importantly, this information should be put in the public domain and updated regularly. This knowledge base could help to build a discourse on the district-wise estimated potential, actual collection and efficient use of DMF resource in the states where mining is taking place.

CREATE AWARENESS ON DMF:

Along with knowledge generation, it is imperative to create awareness (legal, scientific, etc.) about the provisions, opportunities and limitations of the concerned sections of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 among relevant stakeholders, including calculation of royalty amount, to overcome problems of 'asymmetry of information'¹² As the first priority in the DMF funds is the mining affected communities, proper needs assessment and vulnerability of the affected community needs to be mapped properly and allocation should be made on the basis of that. To make people aware around the whole set of issues, active involvement of Gram Sabha in every step is necessary.

ADDRESSING TRIBAL ISSUES UNDER DMF:

The Act says that the DMF should be guided by the Panchayats (Extension to Scheduled Areas) Act (PESA), 1996, and the Forest Rights Act (FRA), 2006. Ministry of Tribal Affairs has already stated that DMF funds can be utilized for training and capacity building on FRA. There is a need for specific actions to be mentioned in the DMF rule to address the livelihood issues of the tribals, those who have received land titles, through the use of DMF. There is a need to have intensive engagement with the PRIs, build their capacities as well as advocate for structural arrangement by the state to integrate Gram Sabha plans with the DMF. In its present form, the DMF Act says that the DMF plans will be implemented after getting approval of Gram Sabha.

EMPOWERING LOCAL INSTITUTIONS AND COMMUNITIES BY THE CIVIL SOCIETY ORGANISATIONS:

The DMF rules in the state should entrust the Zilla Parishad with the governing responsibilities which are presently assigned to the District Collector. The PRIs should be given a larger role in the planning and execution of works taken up under DMF. The role for local communities needs to be expanded. Affected communities or their representatives should be a part of the Board of Trustees and Executive Committee. An integrated natural resource and livelihood mapping can be helpful for designing proper programmatic interventions. It must be ensured that this mapping should be done at the level of Gram and Palli Sabhas, so that, community priorities are included in the DMF plans of the district. There is a need to gather civil society opinions and generate evidence based dialogues with the policy makers for making the above provisions in the DMF rules.

PRIORITIZE ENVIRONMENTAL AND ECOSYSTEM PROTECTION, AND PROMOTION OF PRIMARY LIVELIHOOD:

In DMF, there is no provision of providing alternative livelihood opportunities for the people affected by mining. But, various activities related to environment and ecosystem protection can be designed under DMF, which, in turn, could promote primary livelihood of the affected people. In this context, the DMF fund utilization should prioritize agriculture, forest and other primary and traditional skill development sectors for providing

sustainable livelihood opportunities. The DMF Trust can engage civil society organisations and think tanks to identify critical needs of the communities in the mining affected areas.

ENSURE INTERGENERATIONAL EQUITY:

The state should come up with ways to ensure sustainable mining practices and sharing the wealth such that intergenerational equity is ensured. Mineral resources are extracted from the ground, and it is inevitable that after certain time period it will be exhausted. Over exploitation of these could end up with no resources left for the next generation. Therefore, it is imperative that investments in productive assets through DMF need to be made such a way, so benefits could transferred across generations. There should be advocacy and orientation among the key stakeholders to formulate the planning in such a way that it will also create assets for the future generations rather than just extract/deplete them.

TRANSPARENCY & ACCOUNTABILITY: BUILDING COMMUNITY VIGILANCE AND PUNITIVE ACTIONS, AUDIT

Communities living in and around the mining areas need to be equipped with adequate information on the provisions of mining related regulations. This can enable the communities to build a community based monitoring mechanism to check illegal mining which will

also increase the resource basket of the DMF. Punitive actions should be carried out against the illegal miners and erring officials. Mechanism of checks and balance needs to be put in place and social audit needs to be conducted. Impact assessment on environment and livelihood should be assessed at regular intervals as a result of DMF fund and be made available in the public domain. All the districts should maintain a website with updated data on the royalty collected, accrued, and expenditure under different heads and on beneficiaries. Most importantly, a proper audit mechanism need to be in place through the Comptroller and Auditor General of India (CAG) or any constitutional body.

Although the DMF looks like a progressive action by the government, number of issues with regard to fair sharing of mineral resources for the affected communities is still unanswered. A judicious utilization of the funds collected under the DMF towards both improving the socio-economic status of the mining-affected communities and maintaining ecological balance in the affected areas remains a moot point of concern. At this preliminary stage of DMF implementation, several drawbacks, such as low fund utilisation, lack of priority towards environment conservations, diversion of funds, etc. have already been identified. All these issues, along with the concerns raised by the experts and different stakeholders, must be addressed to make the DMF more effective for creating a long lasting impact on the affected communities and the ecosystem.

NOTES

- ¹ This phenomenon is known as “resource curse” (also known as the paradox of plenty), which refers to the failure of many resource rich countries to benefit fully from their natural resource wealth, and for governments in these countries to respond effectively to public welfare needs.
- ² Summary Report - Round Table District Mineral Fund, March 2017, organised jointly by Oxfam India and Nabakrushna Choudhury Centre for Development Studies, Bhubaneswar.
- ³ The poverty data is based on Tendulkar methodology for the year 2011-12. Source: Report of the Expert Group to Review the Methodology for Measurement of Poverty, Government of India, Planning Commission, June, 2014. It should also be noted that these states are largely PESA areas.
- ⁴ In the next few years, India’s GDP is expected to continue to grow on the back of economic development, rapid urbanization, thrust on infrastructure investment, improved private investment, strong industrial activity and increasing consumption. The Government’s focus on “Make in India” (hike manufacturing share in GDP from the current 17% to 25% by 2022), “Housing for all by 2022”, smart cities, power for all, modernization of railways and aggressive highway construction targets will drive growth at a faster pace in end-user industries including power, cement, construction and infrastructure, which will in turn boost domestic mineral consumption.
- ⁵ The Mines and Minerals (Regulation and Development) Act, 1957 (MMDR) forms the basic framework of mining regulation in India and the present MMDR 2015 includes DMF along with few other provisions. On March 26, 2015, parliament received the assent for enactment of DMF through ‘The Mines and Minerals (development and regulation) Amendment Act, 2015’. It is important to mention that this was not a best case scenario and happened after a lot of dilution in the original provisions of the proposed Act which spoke about equity sharing. Efforts to advocate for a new mining law replacing the mines and minerals development and regulation Act, 1957 has been going on since 2010. It was an apparent victory for the civil society groups when in June 2010, the draft law proposed a 26% equity ownership to the communities. However, this could not muster support of the Government which diluted this clause with a model for sharing an amount equivalent to the royalty paid. After a long protracted struggle by various civil society members the new mining law (Mines and minerals development and regulation amendment Act, 2015) was passed in 2015. But when the amendment was actually passed by the parliament, it was further diluted, as it further reduced the contribution for affected communities to one third of the royalty on existing mining leases and one-tenth in case of new leases beyond January 2015 (Sec 9b (5,6 of the Act)).
- ⁶ The DMF is a trust that would function as a non-profit body to ‘work for the interest and benefit of persons, and areas affected by mining related operations’.
- ⁷ Jharkhand, The District Mineral Foundation, The right of people to benefit from the mineral-rich lands they live on; Centre for Science and Environment (CSE).
- ⁸ Parliamentary Question No. 1254, Answered on 25th July 2016, <http://164.100.47.194/Loksabha/Questions/QResult15.aspx?qref=47490&lsno=16>
- ⁹ Data for Chhattisgarh is cumulative up to FY 2017-18 from the inception of DMF and for Odisha data is of the year 2017-18.
- ¹⁰ Although the sanctioned amount in Bemetara was only 40 lakhs.
- ¹¹ Twitter Handle of Amitabh Kant, <https://twitter.com/amitabhk87/status/1010547942485192704>, accessed on 29th June 2018.
- ¹² Asymmetry of Information: In contract theory and economics, information asymmetry deals with the study of decisions in transactions where one party has more or better information than the other. This asymmetry creates an imbalance of power in transactions, which can sometimes cause the transactions to go awry, a kind of market failure in the worst case. People with better information could be benefitted more leaving a larger section of the society out of this.
- ¹³ For example, the rate of utilization of DMF in Odisha remained abysmally low (i.e., 16.24 percent) for the year 2016-17. For details, see <http://dmf.orsaminerals.gov.in/website/LeadingCollectionGraph.aspx?sid=20>.

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