

A REPORT ON

DISTRICT

MINERAL FOUNDATION

2022

Vol. I – Main Report





GROUND-TRUTHING THE IMPLEMENTATION OF THE DISTRICT MINERAL FOUNDATION TRUST (DMFT)

October 2022

ABSTRACT

To assess the accountability of DMFT, legitimacy of utilization of DMFT Funds, monitor compliance to the provisions mentioned in the DMFT Act and communities' participation in the planning, monitoring & evaluation process, a pilot study of 574 DMFT projects were conducted in Chhattisgarh, Jharkhand, Odisha and Rajasthan.

Ground Analysis
by Environics
Trust and Mineral
Inheritors Rights
Association

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Abbreviations

ATRs- Action Taken Reports
BPL- Below Poverty Line
CPSU- Central Public Sector Undertaking
CSR- Corporate Social Responsibility
DMFT- District Mineral Foundation Trust
GDP – Gross Domestic Product
GP- Gram Panchayat
GS- Gram Sabha
JP – Janpad Panchayat
MC- Managing Committee
MMDR- Mines and Minerals (Development and Regulation) Act
MPI- Multidimensional Poverty Index
NIC- National Informatics Centre
NMDC- National Mineral Development Corporation
NTPC- National Thermal Power Corporation
OMBADC- Odisha Mineral Bearing Areas Development Corporation
PAG- Principal Accountant General
PESA- Panchayats Extension to the Scheduled Areas
PHED- Public Health and Engineering Department
PIO- Public Information Officer
PMKKKY- Pradhan Mantri Khanij Kshetra Kalyan Yojana
PSC- Parliamentary Standing Committee
PSUs- Public Sector Undertakings
RTI- Right to Information
RWSS- Rural Water Supply and Sanitation
SAIL-Steel Authority of India Limited
SECL- South Eastern Coalfields Limited
SLMC- State Level Monitoring Committee
ST- Scheduled Tribes
ULBs- Urban Local Bodies
ZP- Zilla Parishad

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Our deepest gratitude to all the respondents who took out time to interact during the survey and provided with the ground realities.

We would like to express our appreciation to the team who travelled to respective locations and adapting to digital means of capturing responses and many a times struggled to know the locations.

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Lastly, this study would not have been possible without the financial support from the Publish What You Pay, UK. We are indebted to the team at the Secretariat, for the timely support to pursue this study.

Foreword

Addressing a press conference to announce a hurriedly stitched together Covid19 response and relief package [on 26th March 2020](#), India's Finance Minister informed media persons that 30 percent of the unspent funds lying in District Mineral Foundation (DMF) Trusts can be put to use to fight the pandemic. An alert journalist posed her a question during the Q&A session following her presentation if she can quantify the figure on unspent balance in DMF nationally and she had a quick glance at one of the officers accompanying her, who looked up some papers and rattled out a figure of **Rs 25,000 crores (Rs. 250 billion)**.

As per a document released by Union Ministry of Mines on [28th February 2020](#) that gave Indian citizens details of DMF collection as on 31st January 2020 and expenditure till that date across Indian states, **nationally Rs 35925.39 crore was collected as contributions made by mining lease holders into DMFT Fund and the expenditure figure as on 31st January 2020 stood at Rs 12,414.38 crore, leaving an unspent accumulated balance amounting to Rs 23,511.01 crore.**

This must make us ponder why do social welfare funds designed on the idea of benefit sharing remain unspent for years together. Mining sector in India has witnessed funds that have social protection objective since the decade of 1940s. The earliest such special purpose fund was named Coal Mine Labour (Housing and General) Welfare Fund. This special purpose fund was established in 1947 through an enactment which sought to replace the provisions of an ordinance that was promulgated in the year 1944. While this fund was abolished by an act of Indian Parliament in 1986 and all the unspent balance was to be credited to Consolidated Fund of India, an audit scrutiny in activity year 2010-11 by India's Supreme Audit Institution – the Comptroller and Auditor General of India – revealed that,

“The balances in the Fund account were being utilized to meet the establishment expenditure of a regional office of Pay and Accounts (RPAO) at Dhanbad of the Ministry of Coal on the plea that there was no separate budget for that office. An amount of Rs 10.43 crore was spent unauthorizedly out of the Fund between 1987-88 and 2009-10 as establishment expenditure”.

Audit scrutiny also brought out that at the end of the fiscal year 1986-87, there was an unspent balance of Rs 7.56 crore in the Fund and despite the abolition of the Fund, between 1987-88 and 2009-10, an inflow of Rs 14.03 crore into the Fund and an unauthorized expenditure of Rs 10.43 crore from the Fund was observed¹.

Theoretically speaking, Special Purpose Cess Funds are kept in Public Accounts of State Governments or Union Government, since the State is merely trustee and the money accumulated into these special purpose funds actually belongs to the stated special purpose. Special purpose funds are also ring-fenced to save them from crisis time misappropriation and in mature democracies such as Norway, these funds have an authority monitoring the ethical aspects around the governance and investment decisions.

This report brings home a message that mining affected communities and citizens need to keep a vigil on what is happening to DMF fund. While there have been a few audit observations with reference to DMF in audit reports by CAG of India, till date the national auditor has not carried out a comprehensive performance audit of the District Mineral Foundation Trusts across mineral rich states, as it did a few

¹ See, CAG of India's Audit Report on Union Government (Finance Accounts) for the year ended 31 March 2010, pp. 16-17,

years ago when it looked at the governance of Compensatory Afforestation Management and Planning Authority (CAMPA) and indicted compensatory afforestation fund.

This report has resulted from the passionate ground truthing carried out by volunteers who visited the projects said to be financed by DMF Funds. They carried with them the GIS tools and geo-tagging devices and interviewed affected people by canvassing survey questionnaires. The message that emerges tells us that the fund that was envisaged during 2010 to 2015 as providing for benefit sharing has ended up being looked at by bureaucracy as a low hanging fruit that can be plucked to fill in the budgetary gaps in the line departments projects.

It is extremely depressing that in Odisha mining affected people have coined a phrase for DMF that exposes bureaucratic control exercised by the District Magistrate, by voicing an angry criticism that what was planned to be local area development and bottom-up demand driven fund for mining affected community has ended up being *District Magistrate's Fund!*

We hope that this report inspires mining affected communities to intensify their struggle to regain control of a Fund that was meant for welfare of mining affected people. We also hope that media persons and academic researchers will use the findings of this report to demand a comprehensive social audit and will highlight diversions that have been noticed.

Even as we worked towards bringing together ground level reports and survey results, a performance audit of DMFTs in Jharkhand carried out by the CAG of India during the activity year 2021-22 got leaked to media in last week of April 2022. This not yet in public domain draft performance audit tells a depressing story of the state of affairs of expenditure incurred out of DMF funds². We hope that the CAG of India carries out similar performance audits in states where there is substantially high DMF funds by undertaking a comprehensive performance audit exercise.

Lastly, this ground truthing exercise, once again brought to foreground our faith that the District Mineral Foundation Trusts would be more accountable and transparent in functioning and governance if there is more participation of affected people and local leadership. On the contrary, rather than deepening and strengthening the public participation in Governing Councils of DMFTs, the Union Ministry of Mines has been displaying a centralizing impulse which goes against the grain of the objectives of DMF.

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² See Upadhyaya, Himanshu (2022) 'What a Scathing Audit on Mining in Jharkhand tells us about CAG's Toothlessness', The Wire, <https://thewire.in/political-economy/what-a-scathing-audit-on-mining-in-jharkhand-tells-us-about-cags-toothlessness>

The report is in two Volumes – Vol. I & Vol. II.

Vol. I is the main report which has two parts detailing the District Mineral Foundation Trust's evolution and related working aspects of it and the second part reflects the survey findings from various districts in four states of Chhattisgarh, Jharkhand, Odisha and Rajasthan. Vol. II contains the annexures (tables related to district surveys) and photographs.

PART I - DISTRICT MINERAL FOUNDATION TRUST

BACKGROUND TO EVOLUTION OF DISTRICT MINERAL FOUNDATION TRUST

INSTITUTIONAL STRUCTURE OF DMFTS

SECONDARY VALIDATION OF TRANSPARENCY AND FIELD SURVEYS

METHODOLOGY

INFORMATION AVAILABILITY AT A GLANCE

STATE OF DISTRICT MINERAL FOUNDATION TRUSTS

ANNEXURE I

1. BACKGROUND TO EVOLUTION OF DISTRICT MINERAL FOUNDATION TRUST

The Mines and Minerals (Development & Regulation) Act, 1957 (a principal Act) was mooted for development of mining and through it for industrial development banking upon such minerals mined for producing end use products, use as raw material and export beneficiated minerals and products. This created a history of industrial development with large PSUs like SAIL, NTPC, Coal India limited, NMDC and several others making mineral bearing areas their home of exploration, extraction and value addition. The conventional process of mining lease award for mining took into stride surface rights of those who had usufruct, traditional and other rights embedded in the mineral areas and nothing much was to be gained by such right holders, instead mining brought a sense of negligence and usurping of community and individual resources, especially land.

With weak regulatory regime, compensation and restoration of land post mining remains a large negative externality and the gap has increased ever since. In the year 2010 Ministry of Mines brought a MMDR Bill 2010 to completely overhaul the existing MMDR Act of 1957 based on the recommendations of the Hoda Committee³, the basic intent being that minerals are to be exploited but with the changing social circumstances locally and worldwide acceptance of bringing communities in the benefit stream owing to damages done by mining brought a renewed look to the proposed draft. Herein, the Ministry proposed benefit sharing for the affected people by allotting 26% shares from the promoter quota in case the lease holder is a company or in case the leaseholder is a person than amount equivalent to 26% of profit after tax as annuity as annual compensation. This was lauded as a landmark drift from the conventional approach of exploiting the wealth while leaving the affected in lurch. But before this current bill could hold ground, objections from various interest groups dismantled the approach stating that it would be a death knell of mining industry if such provisions of benefit sharing are kept as such.

Further to this the bill was referred to Cabinet Committee to suggest their views, the newly tweaked bill was approved by Cabinet on 30th September 2011 where it proposed 100% equivalent of royalty (in addition to royalty) for non-coal minerals and 26% profit sharing percentage in case of coal. The major difference, however, was introduction of District Mineral Foundation which would receive these funds and utilize for benefit and welfare of the affected. *This is in sharp contrast to the provisions of 2010 bill where it directly included the affected for benefits and proposed National and State Mineral Fund for various other issues to be taken up for systemic improvements.* The same bill was placed in the Lok Sabha on 12th December 2011. For the purpose of giving a thorough look at the bill and invite suggestions and comments from all quarters, a Parliamentary Standing Committee (PSC) – Coal and Steel was formed on 5th January 2012 which took 15 months to table its final report. The committee accepted the provision of benefit sharing from non-coal minerals as such but it recommended that for coal also 100% royalty equivalent would suffice there by taking off the 26% profit sharing percentage. There were no further developments on placing the bill in

³ <https://www.fedmin.com/fedmin/hoda-rep.pdf>

the parliament and eventually with the announcement of General Elections in the year 2014, the 15th Lok Sabha's term ended and the Bill Lapsed.

The newly elected Government brought a new MMDR Amendment bill 2014 on 16th November 2014. This was not as comprehensive as was the 2010 or 2011 bill but it suggested sweeping changes viz., increasing the duration of mining lease from 20 years to 50 years, doing away with renewal and bringing extension of leases, auctioning of minerals and protecting the interest of miners in this transition but it limited its stance on benefit sharing and kept an open ended clause **'in case of minerals other than minor minerals, such percentage of the royalty paid during the financial year as may be prescribed by the Central Government'**.

Suggestions from public were invited on the provisions of the bill. With an understanding of Ministry of Mines that industrialisation has slowed and mining in particular has not achieved its desired potential and contributes only 1.5-2% to the GDP, it took the route of introducing an Ordinance to this effect and on 12th January 2015 MMDR Amendment Ordinance 2015 was introduced which suggested 'that percentage of royalty which is not above 1/3rd of royalty amount deposited' as a sum that will be deposited in the DMF. The urgency to amend the MMDR bill in a newer form was reflected by the Government through this ordinance but resistance from both the houses, especially the upper house led to a consensus that a bill be introduced which shall be debated in both the houses. Following this MMDR Amendment Bill 2015 was introduced in Lok Sabha on 24th February 2015 with same provision as contained in the ordinance. The Government sailed through in passing of this bill on 3rd March 2015 but the bill was objected for want of more in-depth discussions by the upper house, the upper house consistently demanded formation of a committee to take up this bill before the Rajya Sabha takes up this bill for passing.

A select committee of Rajya Sabha was formed on 11th March 2015 with a deadline to finish discussions and tabling of report by 18th March (before the session ends on 20th March 2015). The select committee tabled the report and adopted the provision of 'upper limit of 1/3rd Royalty' with conditional applicability for leases issued on or after 12.01.2015 (the day when Ordinance was introduced) and it provisioned that for leases issued before 12.01.2015 an amount which is not greater than the royalty paid to the state be kept. With these provisions, the Rajya Sabha passed the MMDR (Amendment) Bill 2015 on 20.03.2015 (the last day of Winter Session). The new MMDR (Amendment) Act 2015 was notified on 27th March 2015⁴.

By now, benefit sharing was reduced to some predefined percentage limit of royalty with conditional cut off dates for mining leases. On 17th September 2015, the Ministry of Mines exercising powers conferred by sub-section (5) and (6) of Section 9B of the MMDR (Amendment) Act 2015, brought the 'Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 which shall be deemed to have come into force on the 12th day of

⁴ The Amendment Act, 2015 ushered in the amendment of Sections, 3, 4, 4A, 5, 6, 13, 15, 21 and First Schedule. Substitution of new sections for Sections 8, 11 and 13. And, insertion of new sections 8A, 9B, 9C, 10A, 10B, 10C, 11B, 11C, 12A, 15A, 17A, 20A, 30B, 30C and fourth schedule

January, 2015 where in it further reduced the contribution from 33% (upper limit) of royalty equivalent, in addition to royalty for leases issued on or after 12.01.2015 to 10% and specified the contribution by lessees to 30% for leases issued before 12.01.2015.

On the same line, the Ministry of Mines through its order dated 16.9.2015 and in a press release issued on 17th September announced PMKKKY guidelines using powers conferred to the Central Government under 20A of MMDR Act 1957. The then Minister of Mines and Steel Shri Narendra Singh Tomar⁵ said, "PMKKKY is a revolutionary and unprecedented scheme of its kind, which will transform the lives of people living in areas which are affected directly or indirectly by mining." The scheme defined how the funds accumulated in DMF will eventually be spent, prescribing a ratio of 60:40 (high priority areas and other priority areas). The state Governments were directed to incorporate PMKKKY in the rules framed by them for the DMFs.

2. INSTITUTIONAL STRUCTURE OF DMFTs

Mining affected districts become the unit of administration of a DMFT governed by the State DMFT rules. Broadly there are two bodies in the DMFT viz. a Governing council and a Managing Committee. Each Governing council has the District Collector or Commissioner as the Chairperson of the Trust. There are representatives of mining lessee in a district as well as that of the affected areas or Panchayats. The number of representatives of the affected is at the discretion of the Governing Council or the Chairperson. These are nominated by the Chairperson. Apart from these there are elected representatives from the parliamentary constituency as well from the state legislative assembly. All major line departments are a part of this council. There is no representation of affected

Guideline 5. Compliance of Transparency (PMKKKY)

Each Foundation will prepare and maintain a website on which, inter-alia, following information will be hosted and kept updated: -

- (i) Details of composition of the DMF/bodies of DMF (if any).
- (ii) List of areas and people affected by mining.
- (iii) Quarterly details of all contributions received from lessees and others.
- (iv) All meeting agenda, minutes and action taken reports (ATRs) of the DMF.
- (v) Annual Plans and budget, work orders, Annual Report.
- (vi) Online status of ongoing works – implementation status/progress of all the projects/programs being undertaken under PMKKKY should be made available on the website, including description of work, details of beneficiaries, estimated cost, name of implementing agencies, expected date of commencement and completion of work, financial and physical progress upto last quarter etc.
- (vii) List of beneficiaries under various welfare programs.
- (viii) Voluntary disclosures under RTI Act.

⁵ Release ID :126983

community in the managing committee most of the members are line departments. The Chairperson is the District Collector or District Commissioner.

In some states there is additional committees to address state issues in the working of DMFTs in various districts, Chhattisgarh being one of the states having State Level Monitoring Committee.

Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) guidelines become a basis of framing State DMFT Rules and clause 5 of the guideline (see box) becomes important in objective working of the Trusts. With more than 600 DMFT trusts registered in various Districts of the Country, ensuring that clause 5 is practiced for effective working of the DMFTs becomes a daunting task.

The PMKKKY scheme underlines the criteria for identification of directly and indirectly affected areas and people in mining areas; defines criteria for utilisation of funds accumulated in the DMFTs viz. 60% of the funds for High Priority areas⁶ and 40% for other priority areas⁷; defining General guidelines especially to underline that convergence with the State and District Plans, fund to be treated as extra-budgetary resource for the State Plans, inter district affected areas from a mine or mining activity and adequately addressing that and keeping a reasonable sum of annual receipts as endowment fund for providing sustainable livelihood; Special provisions for scheduled areas i.e. compliance to Article 244 read with Schedule V and Schedule VI to the Constitution and provisions of Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 including approval of Gram Sabha for all plans and programmes under PMKKKY as well as reporting of works undertaken to the Gram Sabha after the completion of each financial year.

The Chhattisgarh Government brought major amendments in the year 2019 vide notification No. F-7-19/2015/XII dated 14.08.2019. An empanelled agency was introduced in the Trust Rules to identify beneficiaries (directly affected and indirectly affected), survey as per requirement, project monitoring, preparation of Master Plan/Vision Documents for the development of Trust's schemes and most importantly Social Audit. Most of the districts where total annual receipts exceed Rs. 25 Crore will be audited by empanelled agency and if the annual receipts in DMFT are less than Rs. 25 Crore (or Rs. 250 million), the same shall be audited from State's own resources. Supporting this, yet another amendment of Rule 25 "Accounts & Audit" was promulgated as addition of clause (1a) in Rule 25 which syncs with Guideline 5 of the PMKKKY and specifies the following in specific by way of maintaining separate registers for – mining related activities in the districts; receipts of trust funds; expenditures from trust fund, list of beneficiaries; proposals received in trust; works approved by trust and complaints received in trust. In 2019 additional powers to the Governing Council were added to enable post facto approval of deviation of expenditure on schemes which shall not exceed 10% of the annual expected receipts of the Trust. Many additions were done to Rule 22 of DMFT rules, Chhattisgarh "Rule 22 – Expenditure from the Trust Fund"

⁶ Drinking Water Supply, Environment preservation and pollution control measures, Health Care, Education, Welfare of Women and Children, Welfare of aged and disabled people, Skill development, and Sanitation

⁷ Physical infrastructure, Irrigation, Energy and Watershed Development, and Any other measures for enhancing environmental quality in mining district

DISTINCT DMF FACTS IN THE 4 STATES

- Odisha DMFT is typical in terms of not including any representative of mining affected communities in the Board of Trustees or Executive Committee.
- Rajasthan is the only state which includes workers / affected communities which are suffering from occupational hazards like Silicosis as affected persons to make monetary payments to the surviving or the legal heirs in case of death of such a worker.
- Jharkhand became the first state where DMF audit was done and many anomalies were found by the auditors, especially funds spent on activities that do not comply with either the State DMFT rules or the PMKKKY scheme.
- Chhattisgarh remains the only state which has amended rules to include 10 representatives of affected communities from mining affected villages, adjoining villages. It also calls for women representations as well as 50% representation of tribals in Scheduled Districts.

There are several scheduled areas in these four states but there are no guidelines issues in specific compliance of procedure to be followed in approval of projects in these areas as mentioned in state rules and PMKKKY guidelines.

More details on the institutional structure and roles of respective committees under DMFT in various states are available at Annexure - I

SECONDARY VALIDATION OF TRANSPARENCY AND FIELD SURVEYS

In order to understand the working of various DMFTs formed in the country, secondary as well as primary research was done. Secondary research focused on specific DMFT information portals and quality of information available and primary research was done in the form of field surveys across 11 districts in four States. The Methodology adopted is explained below.

3. METHODOLOGY

The secondary research involved DMFT rules comparison, availability of information as per clause 5 of the PMKKKY scheme / guideline among various study districts. A digital tool was used to frame structured questionnaire with certain common and specific questions for completed, ongoing and approved projects under District Mineral Foundation Trust of various districts. The major focus was to survey the completed projects under DMFT. Prior listing was done with the available information from state portals. Many portals do not have updated information about the project list and most of the parameters that were to be complied as instructed in PMKKKY guideline (Guideline 5 'Compliance of Transparency' in specific). Palamu, for example has no list but few minutes of meetings were available and reliance was placed on field level inquiry about the projects. Many of the projects do not have a project information board, the absence of boards adds to the problem of identification of the project in an affected village or area. The Rajasthan state portal also has a sanctioned projects list so a field visit was necessitated to locate projects and many were found to be completed

and many could not like multiple submersible pump set projects which made it difficult to ascertain which one is funded by DMFT in absence of any board or local knowledge. So, this also led to covering projects that may not have been funded by DMFT due to no specific site level information. Absence of standard procedure to address convergence of schemes limits efforts to ascertain whether a scheme is partially or fully funded by DMFT and whether to cover it or not.

Keeping such situations in mind a flexible approach was followed i.e. to include about 15-20% projects outside the list of DMFT projects wherever available as these correspond to similar kind of projects in sectors as mentioned in PMKKKY guidelines. This also ensured the effort do not turn futile given lack of clear project listing and absence of it. Had the projects been geo-coded across the states, it would have allowed better spatial outreach and coverage.

The effort of the survey was thus to highlight the compliance with PMKKKY rules and the respective state rules for DMFT on the aspects of public participation, quality of the project, dissatisfaction level, availability of basic facilities in villages, capturing photographs and geo locations, capturing specific comments and suggestions for a particular project.

Limitations:

- There were some errors in capturing the location of the projects due to poor satellite coverage and/or prevailing weather conditions
- Most of the states have not earmarked or listed directly or indirectly affected areas. Wherever it was available, the responses have been edited accordingly, rest of the responses are based on the judgment of the field investigator and the responses received from respondents.
- Cost of the projects was taken from the list of projects or the board wherever available.
- The specific comments or suggestions of the respondents about the project were physically verified wherever possible.
- Ranking of projects on a scale from 1 to 5 was done by asking the respondent that 1 is poor and 5 is good. Many people did not respond

The process was undertaken in few Districts of four States viz. Chhattisgarh, Jharkhand, Odisha and Rajasthan in order to bring ground level information for improving upon the current practice of random spending on projects which are not useful for the welfare of the affected and those requiring improvement and need for a standard operating protocol for asset reliability and longevity.

4. INFORMATION AVAILABILITY AT A GLANCE – FEW SELECT DISTRICTS

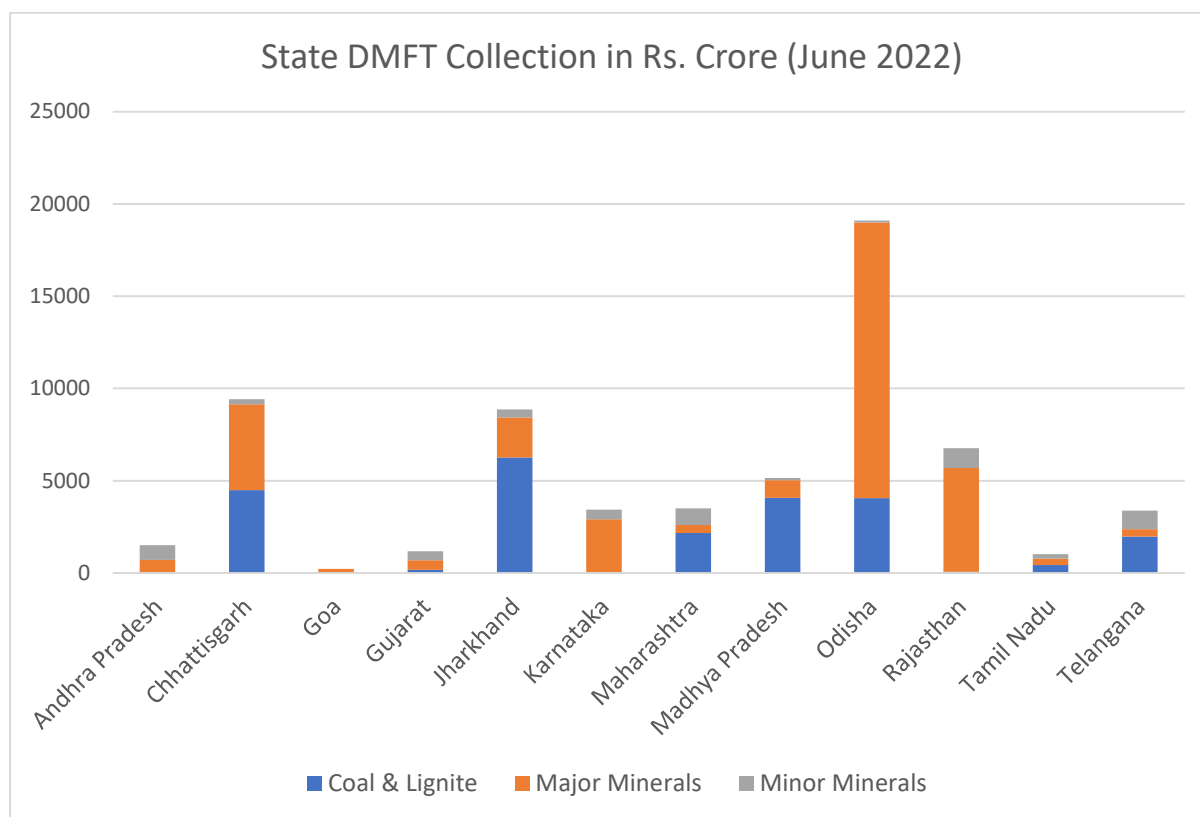
DMFT Digital Outreach	Sundergarh	Bundi	Korba Raigarh	Bokaro	Godda, Chatra	Ramgarh; Hazaribag	Palamu; Lohardaga
Website/Page/DMFT Link	✓	✓	✓	✓	✓; ✓	✓; ✓	✓; ✓
Outlook	Exclusive DMF & OMBADC, Twitter , Facebook	Single Platform (All Districts)	Single Platform (All Districts)	District NIC website search	Exclusive; Unusual URL	District NIC (Dept. tab); NIC Main Tab, Twitter , Facebook	District NIC (under Dept. tab)
Focal Data	Project list available	Sanctioned Projects List	District links exist but no info.	Tender, Recruitment	Quarterly collection + schemes; Templates exist	Project list in PDF; Mining affected areas	Few Proceedings, Audit report, Scheme
Audit Report	✗	✗	✗	✗	✓; ✓ partial	✓; ✗	✓ partial
Annual Report	✓	✗	✗	✗	✓; ✓ partial	✓; ✓	✗; ✗
Annual Action Plan	✗	✗	✗	✗	✗; ✗	✗; ✗	✗; ✗
Project List	✓	✓	✓	✗	✓; ✗ sectoral bundled cost	✓; In annual report	✗; 2020 list
Guidelines	✓	✓	✓	✗	✓; ✓	✓; ✓	✗; ✗
Notifications	✗	✓	✓	✗	✓; ✗	✓; ✗	✗; ✗
Governing Council and Managing committee Members List	✓	✗	✗	✗	✓; ✗	✓; ✓	✗; ✗
Affected Areas	✗	✗	✗	✗	✓; ✓	✓; ✓	✗; ✗
Beneficiary List	✗	✗	✗ partial	✗	✗; ✗	✗; ✗	✗; ✗
RTI Link	✗	✗	✗	✗	✓ 3 rd party	✓ 3 rd party; ✓ NIC	✓ NIC

Press Ctrl key and access the link | Additional features: Complaint form, Geotagged projects for Godda

Although few district DMFT websites have provided RTI links but there is no information about PIO's. District Magistrate/Commissioner is the Chairperson of the DMFT for which District NIC's RTI may be used for seeking information on DMFT but in the absence of a designated PIO, delays and denial of information is common.

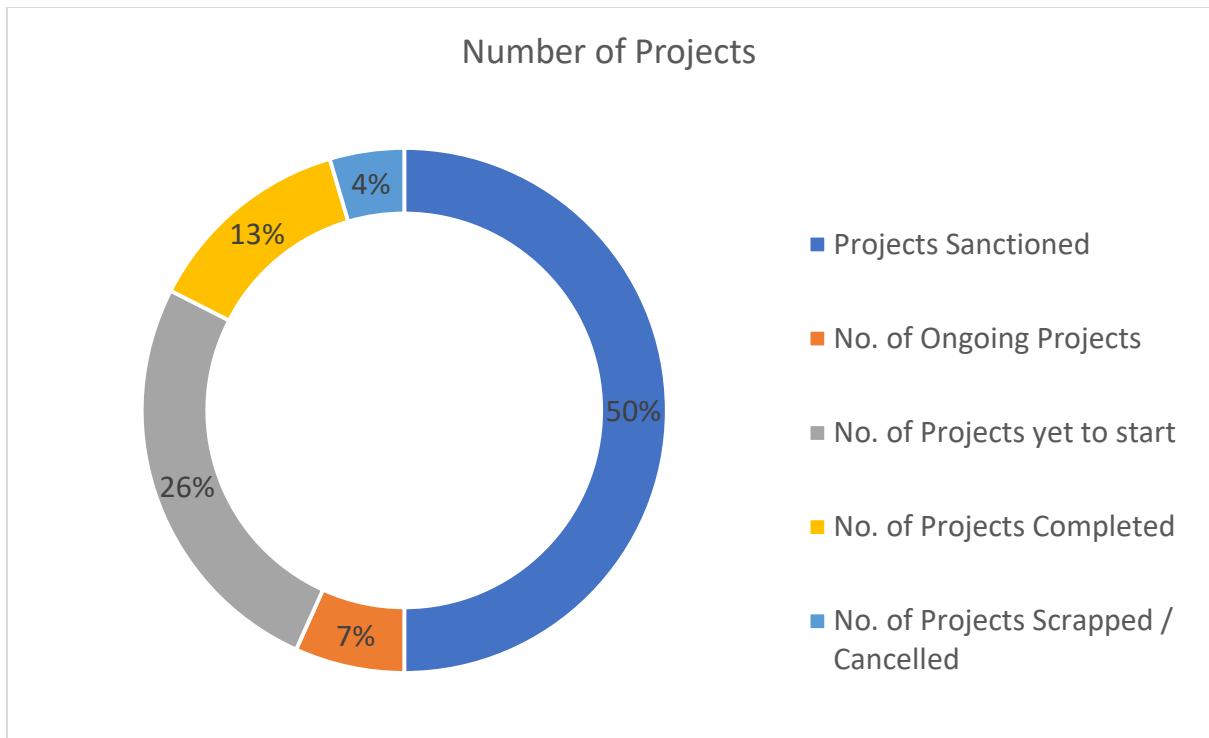
The digital outreach of DMFTs across the country and in specific to the above-mentioned districts of respective states is far from satisfactory. Under the PMKKKY guidelines, Clause 5 deals with compliance of Transparency wherein eight parameters are mentioned for the state DMFTs to develop in their respective web portals. These are summarised below and the table above provides for a glimpse of few districts to say the least. DMFTs of District Ramgarh, Chatra, Hazaribagh of Jharkhand state have provided list of affected Panchayats both directly and indirectly. Whereas in case of Odisha, directly affected areas are those which fall within 10km from a mine or cluster of mines and areas outside this radius is indirectly affected. No areas have been marked on a map. In case of Chhattisgarh, percentage share of funds is shared among adjoining districts, e:g funds from Korba are shared with 7 other districts in some percentage without any specification of particularly affected areas in respective districts, this is true across the state.

5. STATE OF DISTRICT MINERAL FOUNDATION TRUSTS

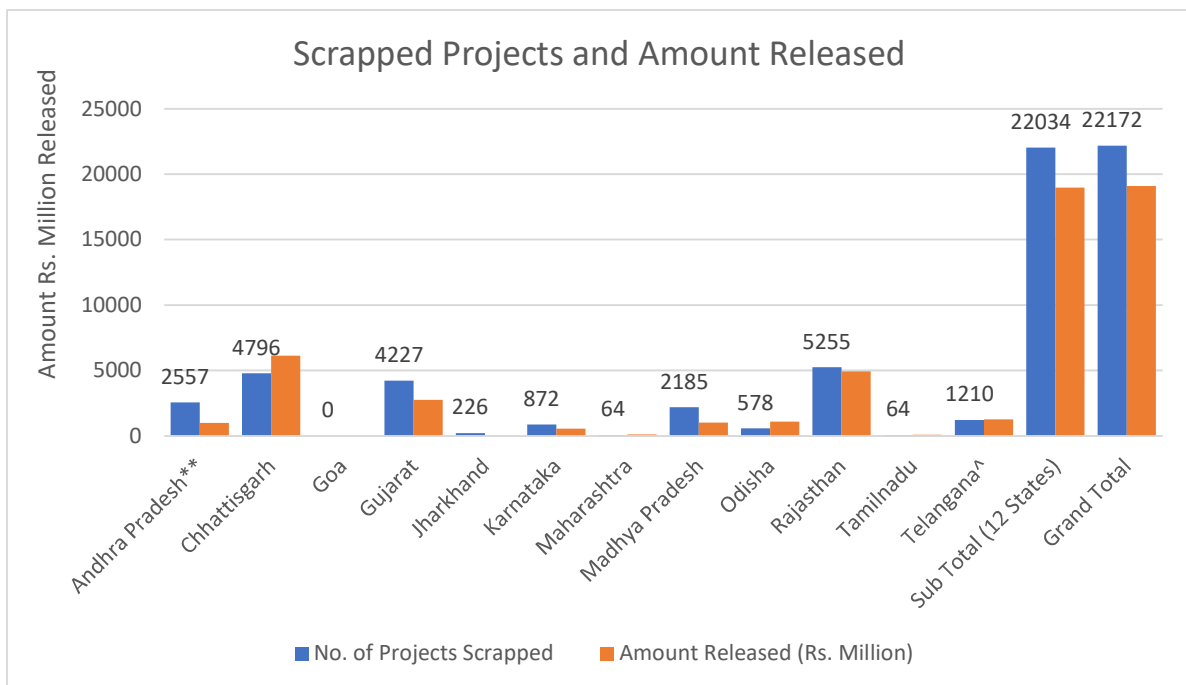


DMFT collection among 622 DMFTs across 23 states (among these 12 contribute 96.41% of the total funds generated – these 12 states are displayed in the chart below) stood at Rs. 658953 million till June 22. Almost a year back, the total collection was Rs. 524306.60 million, a rise of 25.68%. This increase in collection also goes on to show that capacity addition in mining is taking place and it is expected to rise even further. Among all states, Jharkhand had the maximum contribution from coal mining at Rs. 62630 million (70.65% of its total contribution); Odisha had the maximum contribution in DMFT from major minerals at Rs. 149360 million (78.25% of its total collection), especially iron ore and manganese ore; Rajasthan on the other hand had the highest contribution in DMFT from the minor mineral sector at Rs. 10681 million (largest number of leases but contributing 15.80% to total collection), especially proceeds from sandstone, marble, dimension stones etc. The spatial spread of mining and hence the DMFT is almost country wide as 622 districts have established DMFTs as per PMKKKY dashboard.

The states went into a spree of sanctioning projects from 2016 onwards but a very low percentage of projects are completed (25.74%) as of June 2022.



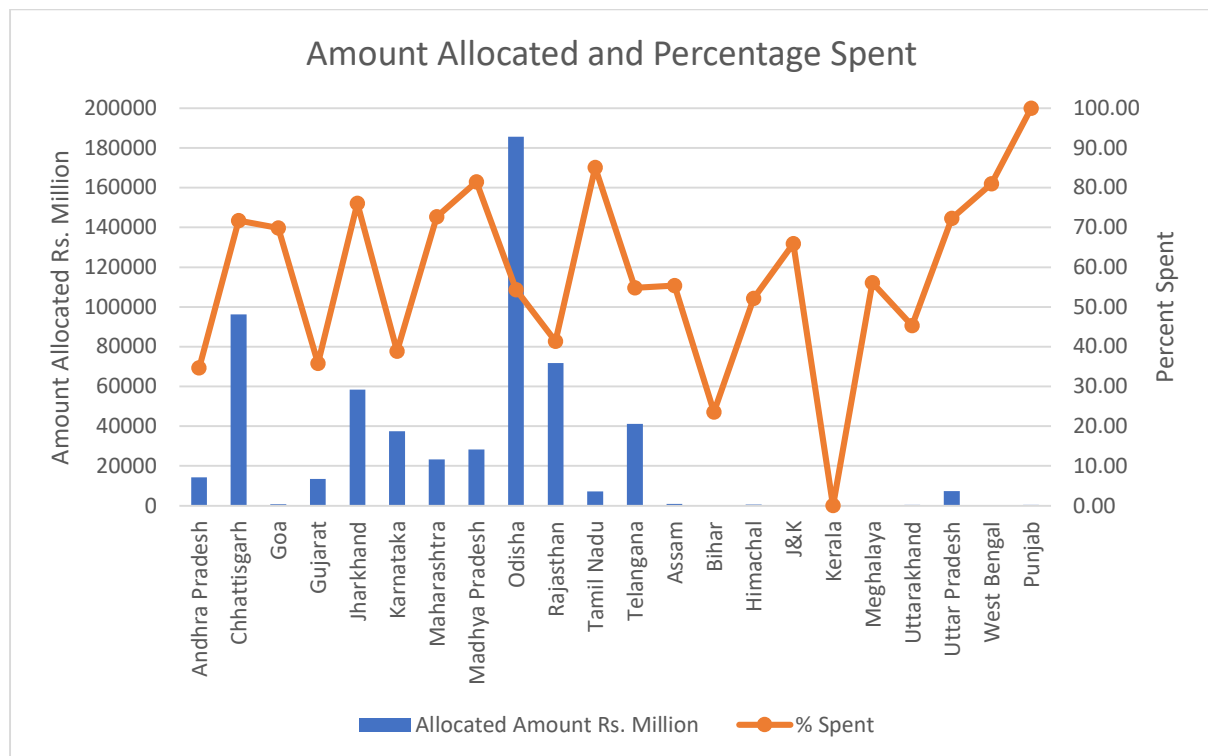
It is not known whether any expenditure was incurred on the scrapped or cancelled projects if these were allotted and budget released. As per data available on PMKKKY dashboard, a total of 22,172 projects were scrapped and the relative amount released for such projects is Rs. 19,092.30 million. One incidence in Godda points to this apprehension. (Refer Part II of this Report).



No. of projects displayed over respective state.

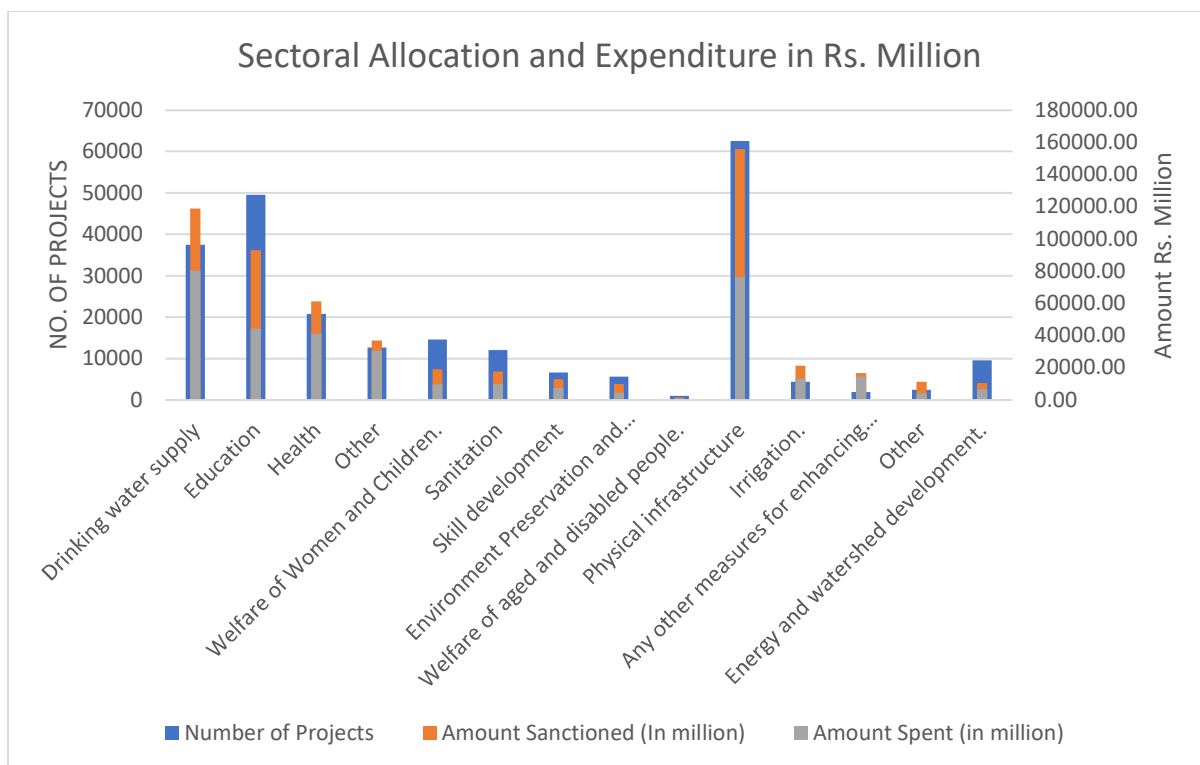
Among these 12 states, Chhattisgarh has the maximum amount released for these scrapped projects followed by Rajasthan. Out of the 22,172 projects scrapped, 22,034 projects are in these 12 states with Rajasthan leading the tally.

Many projects would have been kept on hold as the order dated 24.06.2022 indicates on preparing a 5-year perspective plan for the projects/schemes to be formulated from the DMFT fund. The state governments have been in negative light on spending DMFT funds deviating⁸ from the purpose of the DMFT. The high percentage of projects which are yet to start stands at 52% which may have to be reviewed again or scrapped altogether if the projects are not fulfilling the objectives of PMKKKY.



While 15 states have spent more than 50% of the allocated amount, 50% of them spending between 70-80%, it cannot be considered as a parameter of success in achieving the objectives of this fund. The Ministry of Mines had sought suggestions on the implementation of PMKKKY in August 2022 to address the issue of fund diversion and spending on schemes or projects that have no relevance to the objectives of the PMKKKY.

⁸ <https://www.hindustantimes.com/cities/others/odisha-asks-collectors-not-to-divert-funds-meant-for-mining-affected-community-101651377860335.html>



As PMKKKY puts an upper limit of 60% of funds to be earmarked for high priority sectors and rest of the 40% for other priority sectors but 63.27% of funds are sanctioned for high priority sectors and 36.73% for other priority sector. In terms of sectors, physical infrastructure leads with the number of projects, amount sanctioned and is close to Drinking water sector in terms of amount spent. Physical infrastructure sector has been exploited by creating infrastructure that is not compliant with the purpose of PMKKKY, many high cost buildings, sport facilities, airports etc. have been funded through this fund. More than 10% of the total funds are spent in the 'Others' category.

ANNEXURE I

Checklist 1 – DMF Governance Structure & Functioning and Local Representatives in Committees										
State		Governance Structure			Local Representation Other than Government					
Chhattisgarh	<i>Structure</i>	Governing Council	Managing Committee	State Level Monitoring Committee	3 Public representatives Nominated by settlor [®]	Upto 3 lease holders, nominated by Collector [#]	10 members from GS of affected area nominated by the Collector. (affected Gram Sabha of mining area, adjacent Gram Sabha, in case of scheduled area, atleast 50% of the total nominated member from GS)			
	<i>Meetings</i>	Atleast once every 6 months and as often as necessary	At least 4 times in a financial year	Under the chairmanship of CM to lay down broad policy framework to guide overall functioning of the Trusts of all districts						
	<i>Quorum</i>	1/3 rd of total members [§]	1/3 rd of total members [§]	No mention						
	Compliance of Transparency as per clause 5 of PMKKKY		Rule 15(13) 'Powers and Functions of the Managing Committee'					Amended in 2019 as above. Earlier 2 representatives were there		
Jharkhand	<i>Structure</i>	✓	✓	×	Pramukh & Up Pramukh of Directly affected area	Mukhiya & Up Mukhiya of Directly Affected area	2 major lease holders of District	All MLAs or their reps. in District	Representative of Member of Parliament	
	<i>Meetings</i>	Minimum one meeting / quarter and as per necessity	Minimum 6 meetings / financial year	×						
	<i>Quorum</i>	1/3 rd members	No mention	×						
	Compliance of Transparency as per clause 5 of PMKKKY		No reference in Rules but PMKKKY annexed as First Schedule to the Rules							
Odisha	<i>Structure</i>	Board of Trustees	Executive Committee	×	×	×	×	Each MP & MLA of Constituency where any major mineral concession is situated		
	<i>Meetings</i>	Atleast twice in a financial year	At least once a quarter or more frequently if required	×						

	<i>Quorum</i>	50% of members	Not mentioned					
	Compliance of Transparency as per clause 5 of PMKKKY			Rule 17				
Rajasthan	<i>Structure</i>	Governing Council ^{&}	Managing Committee	State level empowered committee ^{&&}	Upto 5 community representatives	Upto two representatives of mine workers	NGO working in mining field	Technical mining person, President of mine owners association (upto 5)
	<i>Meetings</i>	At least once every quarter	Once in two months	Once in 6 months				
	<i>Quorum</i>	1/3 rd of total membership	Not mentioned					
	Compliance of Transparency as per clause 5 of PMKKKY			Rule 15(6)				

Notes: Recent Orders

- (1) Vide order dated 23.04.2021 to include MPs, MLAs and MLCs in the Governing Council of DMF and District Magistrate/Deputy Commissioner/District Collector of the District as Chairman of Governing Council and Managing Committee of DMF
- (2) Vide order dated 12.7.2021 the fund available in DMF shall not be transferred to any fund or purposes other than as prescribed under MMDR Act
- (3) Vide order dated 24.06.2022 for preparation of five year perspective plan for implementation of works using DMF funds

[§] With rider that if quorum is not complete, meeting can be postponed for half an hour and can reconvene at same place on same day for which condition of quorum is required.

[&] Non-government members are nominated trustees for a term of 2 years. More members from line departments are added as per amendment of 2018 in both the committee's⁹

^{&&} for inter-district affected areas due to a mine or mining project and for common infrastructure which extend beyond a district

[@] Secretary, Mineral Resources, Government of Chhattisgarh [#]Ex Officio Chairperson

Rajasthan reduces the spend of annual receipts on administrative, supervisory and overhead costs of Foundation to 3% as per 2018 amendment. Any project having an estimated cost exceeding two crores shall be sanctioned only after prior approval of the State Level Empowered Committee.

⁹ <https://mines.rajasthan.gov.in/DMFT/docs/DMFT-JUNE%202018.pdf>

Checklist 2 – Affected Areas					
Affected Areas	Provisions	Chhattisgarh	Jharkhand	Odisha	Rajasthan
Directly Affected Areas [@]	Definition: Directly affected area – where direct mining related operation such as excavation, mining, blasting, beneficiation and waste disposal (overburdened dumps, tailing ponds, transport corridors etc.) are located.	6 (1) (a) ✓	x	11 (2) ✓	15 (2) (I) (A)✓
	Villages and GPs within which mines are situated <u>and are operational</u> . Such mining areas may extend to neighbouring village, block or district.	6 (1) (a) (i) ✓	a. Village and gram panchayat within which mines are situated.	✓	15 (2) (I) (A) (a)✓
	villages, in which families displaced by mines are settled / rehabilitated by the project authorities	6 (1) (a) (ii) ✓	x	✓	15 (2) (I) (A) (c)✓
	Villages that significantly depend on the mining areas for meeting their economic needs and have usufruct and traditional rights over the project areas, for instance for grazing, collection of minor forest produce etc.	6 (1) (a) (iii) ✓	✓	✓	15 (2) (I) (A) (d)✓
			An area within such radius from a mine or cluster of mines as may be specified by the State Government, irrespective of whether this falls within the district concerned or adjacent district	an area within a <u>radius of ten kilometres</u> from a mine or cluster of mines, irrespective of the fact whether this falls within the district concerned or adjacent district	An area within such radius from a mine or cluster of mines as may be specified by the State Government, irrespective of whether this falls within the district concerned or adjacent district
Indirectly Affected Areas [@]	Such areas where local population is adversely affected on account of economic, social and environmental consequences due	6 1(b) ✓	3 1(b) ✓	11 2(b) ✓	15 (2) (I) (B))✓

	to <u>mining related operations</u> . The major negative impacts of mining could be by way of deterioration of water, soil and air quality, reduction in stream flows and depletion of ground water, congestion and pollution due to mining operations, transportation of minerals, increased burden on existing infrastructure and resources.				
	An area within such radius from a mine or cluster of mines as may be specified by the State Government, irrespective of whether this falls within the district concerned or adjacent district.	An area within <u>such radius / distance</u> from a mine or cluster of mines as may be specified by the <u>Collector (within District) and by the State Government (beyond District)</u> , irrespective of whether the said area falls within the district concerned or adjacent / adjoining district / districts.			

@ The DMF shall prepare and maintain an updated list of such directly and indirectly affected areas by mining related operations

Checklist 3 – Affected People					
Affected People	Provisions Regarding Affected People / Directly Affected People under DMF Rules	Chhattisgarh	Jharkhand	Odisha	Rajasthan
Directly Affected Persons [@]	People living/working in affected areas and the following shall be included under directly affected persons:				
	Affected family' as defined under Section 3 (c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (No. 30 of 2013)	6 (2) (a) (i)	3 (2) a. 1.	11 (3) (a) (i)	15 (2) (II) (A) (a)
	'Displaced family' as defined under Section 3 (k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (No. 30 of 2013).	6 (2) (a) (ii)	3 (2) a. 2.	11 (3) (a) (ii)	15 (2) (II) (A) (b)
	Any other as appropriately identified by the concerned Gram Sabha.	6 (2) (a) (iii)	3 (2) a. 3.	11 (3) (a) (iii)	15 (2) (II) (A) (c)
	Persons affected by mining should also include those people who have legal and occupational rights over the land being mined, and also those with usufruct and traditional rights	6 (2) (b)	3 (2) b	11 (3) (b)	15 (2) (II) (B)
	Affected families should be identified, as far as possible, in consultation with elected representatives of Gram Sabha	6 (2) (c)	3 (2) c	11 (3) (c)	15 (2) (II) (C)

	The trust shall prepare and maintain an updated list of such affected persons/local communities including eligible patients and their legal heir under the provisions of the Rajasthan Environment and Health Administrative Board	Not provisioned			15 (2) (II) (D)	
Note: The Trust shall prepare and maintain an updated list of such affected persons/local communities						
Special Provisions for Scheduled Areas				Chhattisgarh	Jharkhand	Odisha
In respect of villages affected by mining situated within the scheduled areas (1) Approval of the Gram Sabha shall be required: (a) For all plans, programs and projects to be taken up by Gram Panchayats; (b) Identification of beneficiaries under the existing guidelines of the Government. (2) Report on the works undertaken in the respective village shall be furnished to the Gram Sabha after completion of every financial year.				Rule 30 ✓	Doesn't explicitly mentions in rules x	Rule 12
						Rule 15(4)

Checklist 4 : State wise Roles as defined in the existing Institutional Structure of DMFT			
Chhattisgarh	Governing Council	Managing Committee	State Level Monitoring Committee
	<ul style="list-style-type: none"> Approval of Annual Action Plan based on a 5-year vision plan (empanelled agency) based on the survey of the needs. By placing 5-year vision. Approve Annual Plan in the last quarter of financial year! Provide post facto approvals in case of deviation from annual plan or budget. Approval to empanelled agencies to play their roles including social audit Approval for monetary benefits in extreme cases Ratification of audit reports Approve activities prioritized by GS through Managing Committee Review and pass the annual plan 	<ul style="list-style-type: none"> Identification of "beneficiaries" i.e. affected persons, Annual Plan, Vision Document now rests with Empanelled Agency [Clause 3(a) added] Ensure Timely Collection of Contribution to DMF Fund Receive proposals from GP, JP, ZP and ULBs, Govt. Dept., Boards, Corporations, PSUs. GS to give proposals in Scheduled Areas Coordinate, consolidate and develop annual plan as per PMKKKY Supervise execution of Annual Plan and approved schemes, Issue Sanction Orders, Monitor utilization of funds Lay down and approve procedures for functioning of Trust 	<ul style="list-style-type: none"> Ministerial Committee including Chief Minister as Chairman, Chief Secretary and Secretary (Mineral Resources) SLMC to meet at least once a year! SLMC plays a supervisory and monitoring role on the functioning of Trusts SLMCs role is also to enable or cause to make an online monitoring system containing annual plans, sanctions and approvals given by Trusts Ensuring Transparency by e-governance measures?

Jharkhand	Governing Council	Managing Committee	Power & Functions of Gram Sabhas in Affected areas
	<ul style="list-style-type: none"> • Approval for monetary benefits in extreme cases • Ratification of audit reports • Approve activities prioritized by GS through Managing Committee • Review and pass the annual plan 	<ul style="list-style-type: none"> • Identification of “beneficiaries” i.e. affected persons • Collection of Contribution to DMF Fund • Coordinate, consolidate and develop annual plan as per PMKKKY • Approval of list of works under priority and other priority areas beneficiaries as identified by the committee • Distributing monetary benefits through bank transfer in extreme cases on approval of Governing Council. Priority for giving monetary benefits to BPL, Orphans, Widows, single mothers, physically challenged, senior citizens etc. • Organising meetings of the Trust • Presenting audit reports for ratification to the Governing Council 	<ul style="list-style-type: none"> • Prepare list of activities including relevant details and maintain register of works under priority and other priority area • Verify activities Gram Sabha to pass resolution and forward to Managing Committee. Managing Committee to verify but not override activities to be carried upon. However, MC can send its objection to the list submitted to the GS with reasons and comments in writing. • Revised list by GS upon addressing the concerns shall be approved and passed by MC and forward to GC • Quorum of GS meeting for passing resolution shall not be less than 50% of all members of GS. 1/3rd of the members present must be women? • Fixing criteria of priority and developing annual plan in consultation with Mukhiya/up Mukhiya • Monitoring of development scheme/works supported by Trust Fund
Rajasthan	Governing Council	Managing Committee	State Level Empowered Committee
	<ul style="list-style-type: none"> • Broad policy framework design • Making and approving annual action plan, annual budget. Must be approved one month prior to April 01. • Distributing monetary benefits to persons or families affected by mining related operations in the district? 	<ul style="list-style-type: none"> • Prepare the master plan/vision document for the activities of the trust • Assist in annual plan preparation along with budget • Supervise annual plan and approved schemes • Sanction approval to the projects 	<ul style="list-style-type: none"> • Any project for development of common infrastructure (road, bridges etc.) to the priority for fund utilisation having an estimated cost exceeding two crores shall be sanctioned only after prior approval of the Committee.

	<ul style="list-style-type: none"> To meet once per quarter with 1/3rd of members 	<ul style="list-style-type: none"> Lay down procedure for functioning of the trust 	
Odisha	Board of Trustees	Executive Committee	No other Committee
	<ul style="list-style-type: none"> Approve annual budget and action plan Approve the master plan or perspective plan (prior to Central Government 2022 order) Decide priority areas and sectoral allocations Appoint auditors and approve annual reports Grant administrative sanction of individual projects exceeding the estimated cost of Rupees Ten Crore Monitor the proper functioning of the Trust 	<ul style="list-style-type: none"> Award contracts and works and sanction of payment for the same Grant administrative sanction for projects with estimated cost not exceeding Rupees Ten Crore (Rs, 100 Million) Maintenance of accounts Supervision of progress in discharge of contracts and execution of works Investment of funds in accordance with the guidelines laid down by the Government and the Board Preparation of perspective plan, budget etc. for approval of the Board 	

PART II - DISTRICT WISE SURVEY FINDINGS

CHHATTISGARH

JHARKHAND

ODISHA

RAJASTHAN

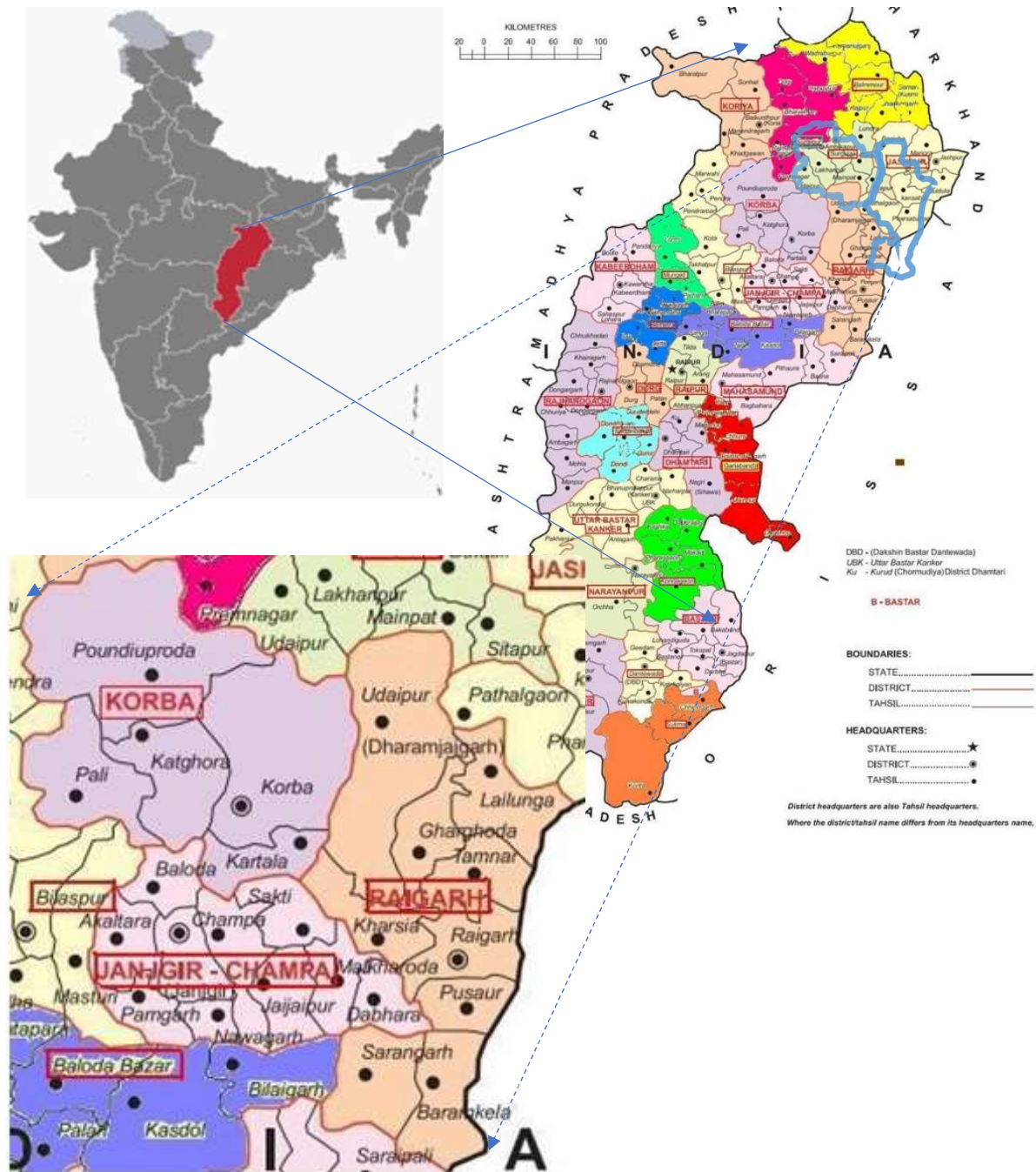
SURVEYED DISTRICTS

A total of 574 surveys were done in 11 districts of 4 states. The survey in Korba district remained the largest among all the districts followed by Raigarh. In terms of spatial coverage, seven districts were covered in Jharkhand. One district each in Rajasthan and Odisha was covered as a sample.

District Wise Details of Survey of Projects

District	Completed	Progress	Approved	Total
Chhattisgarh	224	31	2	257
Korba	133	20	0	153
Raigarh	91	11	2	104
Jharkhand	203	11	2	216
Ramgarh	34	4	0	38
Lohardaga	22	2	0	24
Godda	4	1	0	5
Bokaro	23	2	1	26
Hazaribagh	7	0	0	7
Palamu	92	0	0	92
Chatra	21	2	1	24
Rajasthan (District Bundi)	36	3	13	52
Odisha (District Sundargarh)	32	17	0	49
Grand Total	495	62	17	574

1. CHHATTISGARH



Map showing Chhattisgarh in India, Districts of Korba and Raigarh in the Chhattisgarh state

i. OVERVIEW

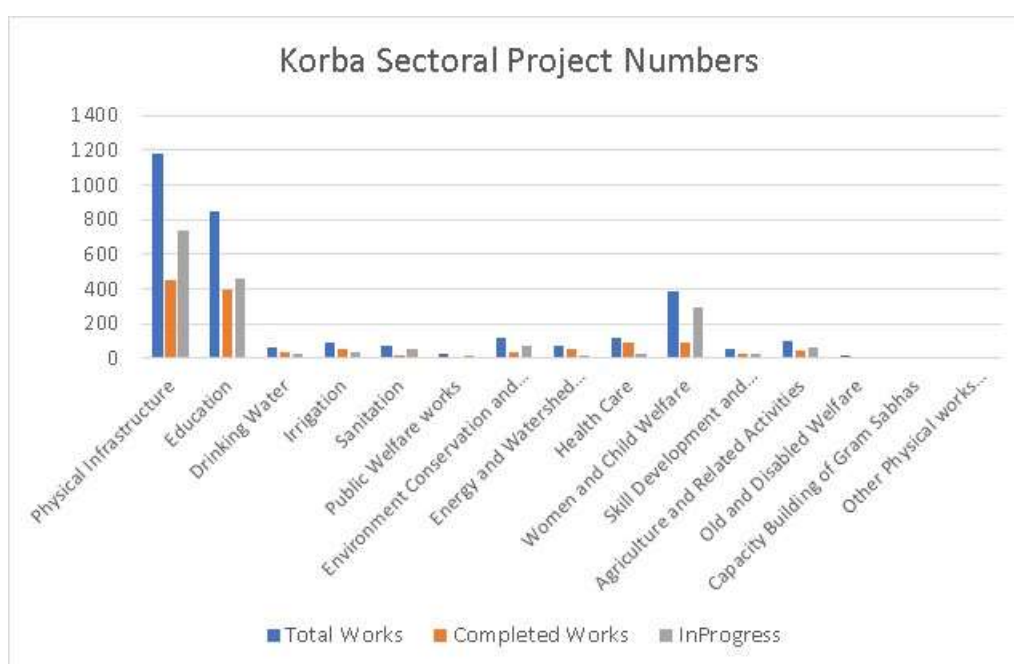
Chhattisgarh after its statehood in the year 2000 has become one of the leading mineral bearing states in India along with Odisha and Jharkhand. Coal is one of the prominent fuel minerals in many districts of Chhattisgarh, Korba and Raigarh being one of the contiguous coal belts. Other minerals include iron ore, limestone, gemstones and a variety of minor minerals in its geographical boundary. DMFT in Chhattisgarh was notified on 02.01.2016 for

both major and minor minerals. Chhattisgarh is the only state where contributions from coal mining and major minerals (other than coal and lignite) to the DMFT are on an equal footing i.e. around 49% each. Minor minerals as usual have a miniscule contribution to the fund. In terms of number of projects sanctioned, Chhattisgarh state has surpassed all states, its sanctioned projects are to the tune of 67,534. Among these 4,796 projects are scrapped and very large number of projects 41,606 are completed.

DMFT Works and Allocations in Korba and Raigarh						
S.No.	District Name	Sanctioned Amount (In Lakhs)	Expenditure Amount (In Lakhs)	Total Works	Completed Works	InProgress
1	KORBA	124372.85 (18.94)	68317.46	3150 (6.3)	1316	1833
2	RAIGARH	22919.08 (3.49)	10987.69	1423 (2.8)	40	1383
Total		656,521.78	358,015.95	49928	17676	31279

Source: Report Section of DMFT Website (Figures in parenthesis indicate percentage to total State figures)

Out of the total works across districts in Chhattisgarh, 6.3% are allocated for Korba and 2.8% for Raigarh. Raigarh shows very a smaller number of projects that are completed (merely 2.8%). Out of the total sanctioned amount, Korba's share stands at 18.94% whereas that of Raigarh is only at 3.49% which could also be a reason for low completion rate of projects.



37.58% of the projects in Korba District under the DMFT belong to physical infrastructure category.

32 Projects in Korba Take a major chunk of funds to their fold			
Cost Range of Physical Infrastructure Projects	Number of Projects	Cumulative of Range	Remarks
1 - 10 Crore	26	75.82	Road, Bridges, Gaurav path
11 - 20 Crore	3	45.87	Roads & Bridges, Parking
20 - 30 Crore	1	22.8	Road
31 - 40 Crore	1	36.09	Road
>70 Crore	1	74.87	Integrated Education Complex
Total	32	255.45	

Source: Compiled from DMFT portal as of July 2022

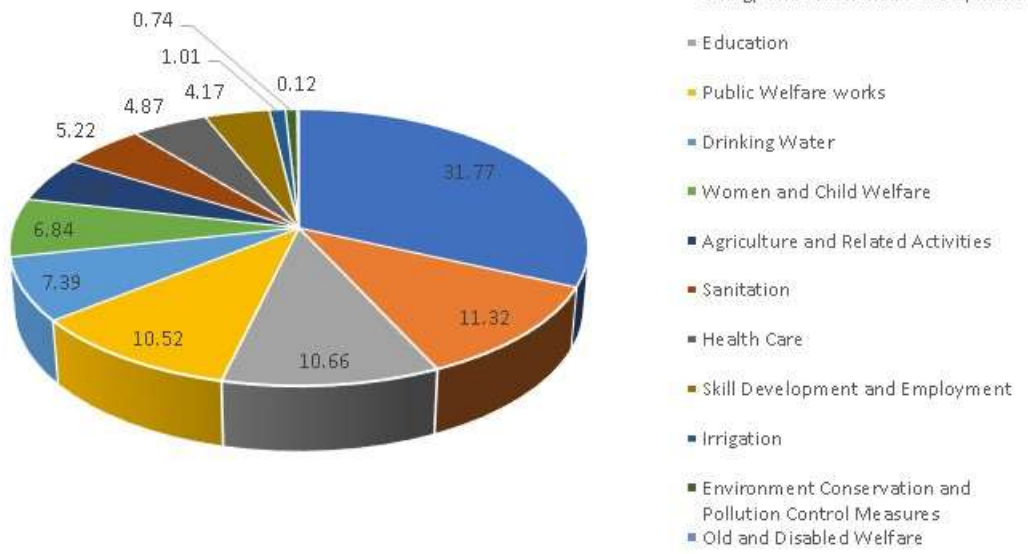
One Crore (10 million) and above value physical infrastructure projects are 32 in number. These projects constitute major chunk of total amount sanctioned under the category and it stands at 58.78%. If we look at the overall sanctioned amount for all projects in Korba, these 32 projects still constitute a major chunk at 20.50% (more than 1/5th of the total sanctioned amount for Korba). The range wise table can be seen for these 32 projects. The grandest of all is the 74.86 Crore value Integrated Education Complex at Syahimudi¹⁰, multilevel parking in Korba at Rs. 17.09 Crore and host of road & bridge projects which cost cumulatively at 139 Crore which is quite massive in terms of purpose of DMFT and type of projects selected.

There seems to be a flaw in the guidelines which were issued in September 2015 where Other Priority areas constituted a category called 'Physical Infrastructure'. The projects which are not covered in any of the high priority sector are placed in this category, even education being a sector in high priority area has several education sector projects in physical infrastructure category. The state has not worked out its own sectoral guideline as to whether such high value projects but least importance for the purpose of DMFT need to be approved. There could have been guidelines for administrative sanction of such projects based on the priorities of affected areas and a due diligence process and public consultation.

In case of Raigarh too, 31.77% of the total funds are sanctioned for physical infrastructure. 44.17 Crore for 10 projects which are more than a crore or 10 million INR. Most of the projects are roads projects. One can see the sectoral sanction of projects in the chart below (read anticlockwise from the blue colour – pie chart)

¹⁰ The cost is disputable and is estimated to be manyfold of the mentioned cost.

Raigarh Sanctioned Funds (Rs. Lakh)

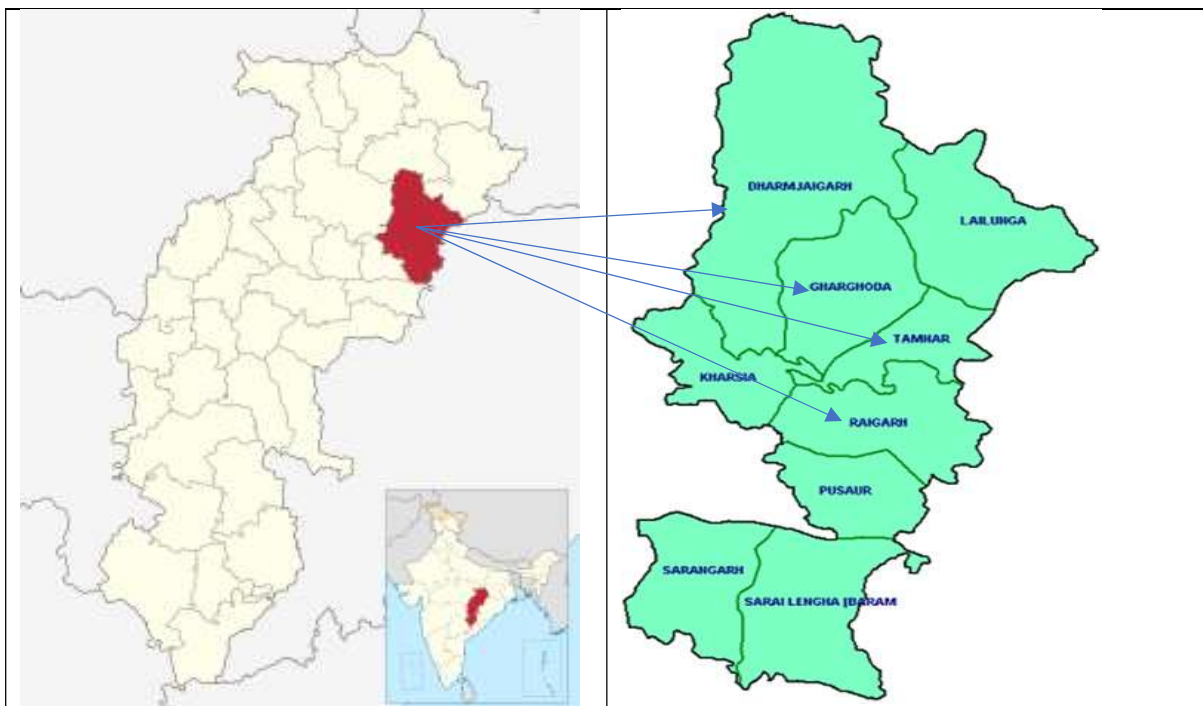


ii. SURVEY FINDINGS - RAIGARH

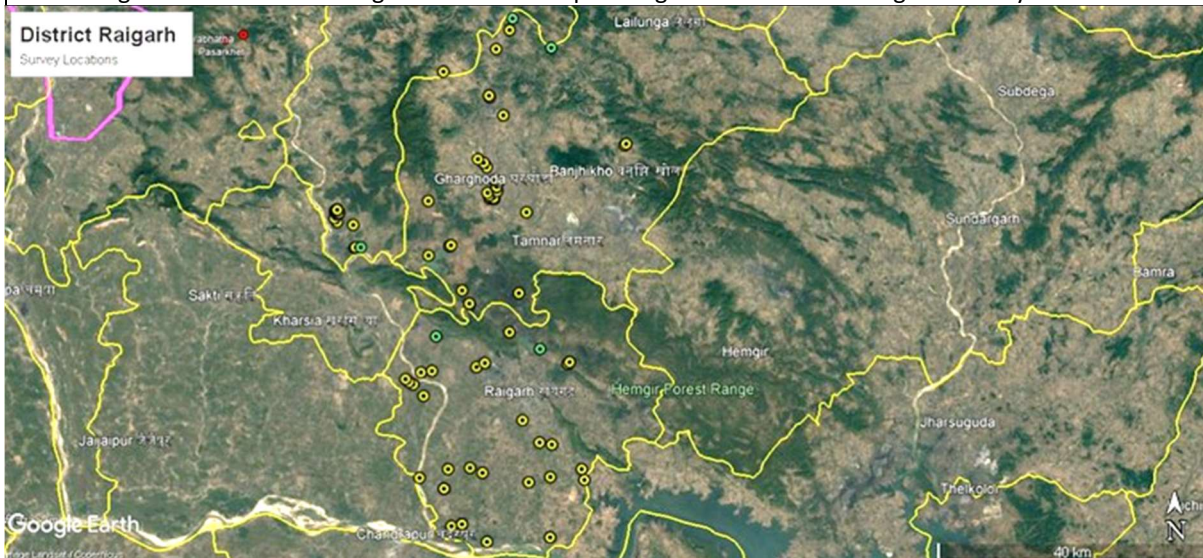
Let's look at the two districts where surveys were undertaken in a little more detail.

District wise Status of Projects Surveyed in Chhattisgarh				
Chhattisgarh	Completed	Progress	Approved	Total
Korba	133	20	0	153
Raigarh	91	12	2	105
Total	224	32	2	258

A total of 258 projects were surveyed including few implemented by CPSUs under the sectors similar to that of DMFT. Majority of projects were completed in both the districts.



Raigarh District in Chhattisgarh and Block Map of Raigarh. Arrows indicating the Surveyed Blocks



Raigarh, a district rich in Coal deposits and several industries to its name has many coal mines. The district has a geographical area of 6836.35 sq. kms. The largest block in terms of area is Dharamjaigarh and the smallest is Pusaur. Sarangarh block has highest number of Panchayats (129) with 247 villages and the District has 1440 villages. Tamnar, Dharamjaigarh and Gharghoda have several mines operational. 14.93 lakh was the population as per Census 2011, almost 34% of the population is scheduled tribes and 15.06% is scheduled castes making it around 50% of the total population which creates a need to focus socio-economic programmes for the region. As of June 2022, Chhattisgarh's total collection in District Mineral Foundation is Rs. 9416.81 Crore. Major minerals (49.33%) followed closely by coal (47.66%) are the major contributors to the fund. Korba (35.89%) and Dantewada (29.96%) were the largest contributors to the fund cumulatively at 65.85%¹¹.

Blocks of District Raigarh	Completed	Ongoing	Approved
Dharamjaigarh	18	2	0
Raigarh	12	1	1
Gharghoda	35	8	0
Tamnar	8	0	0
Pursour	18	0	1
Kharsia	0	1	0
Total	91	12	2

BLOCKS OF RAIGARH, TAMNAR & PURSOUR – COMPLETED PROJECTS

- In Raigarh District a total of 105 surveys were done in various blocks. Only 1 was done in Kharsia due to paucity of time. Dharamjaigarh and Gharghoda are tabulated separately while Pursour, Raigarh and Tamnar Blocks are tabulated separately. In Raigarh completed projects (38), ongoing projects (2) and approved projects (2) were visited. Total 42
- 58.97% of the projects surveyed are drinking water projects viz. solar based drinking water supply, repair of existing schemes, piped water supply and overhead storage projects.
- 34 responses were recorded to understand whether basic facilities are available in the villages or not. 58.82% respondents agreed that the village has basic facilities whereas 41.18% listed those facilities which are not available or are needed and few existing which have some problems.
- 89.47% respondents did not know whether the projects were funded by DMFT or not. Only a handful of people knew. There is negligible penetration of awareness of DMFT's existence.

¹¹ Unstarred Q.No. 2326, Lok Sabha, 16.03.2022

- 63.15% respondents agreed to some form of consultation for the project but still 36.87% said there was no consultation prior to the planning or implementation of the project.
- 86.84% respondents agreed that they are getting benefits from the project in different categories.
- While 86.84% said they are getting benefits, only 60.52% are satisfied with the quality of the project. The rest of the respondents (15) who are not satisfied with the quality of the project were asked broad categorization of quality as average, bad, good, very bad. 53.33% chose average quality, 20% chose bad, 20% chose very bad and only 1 i.e. 6.66% chose the quality as good.
- Out of the 38 completed projects, 20 among them received appreciation as well as remarks that point to operation and maintenance issues, siting issues, performance issues. 70% were those which require intervention or actions by the implementing agencies and 30% were positive comments.
- **Two ongoing and two approved projects**

	Raigarh	Pursaur	Kharsia
Ongoing	Barliya		Bhupdeopur
	PDS Bhavan		Stage, Navodaya Vidyalaya
Approved	Odekera	Dulopur (Bhatpur)	
	Street Lighting	RCC Bridge	

- A PDS Godown of 100 MT capacity was proposed in village Barliya in 2017 at a cost of Rs. 2 lakhs. It is still not constructed and ration is kept in community centre. Similarly, a project under education sector viz. Construction of stage at Navodaya Vidyalaya was proposed in 2018 at a cost of Rs. 5.82 Lakh and expenditure has been shown as Rs. 3.49 lakhs
- The Odekera street light installation could not be ascertained as few are working from MLA funds as found from the field visit. The RCC bridge in village Dulopur of Raigarh blocks was proposed in 2019 at a cost of Rs. 5.88 lakh under physical infrastructure category but it has not been constructed as yet.

BLOCKS OF GHARGHODA AND DHARAMJAIGARH

Gharghoda is a block and Tehsil headquarter in Raigarh District. The district forms part of NE Chhattisgarh and among the 9 blocks in District Raigarh, Gharghoda is one among them surrounded by Dharamjaigarh, Tamnar, Lailunga, Raigarh and Kharsia. Coal mining is one of the major mining activities in the district. The population of Gharghoda is 79,425 persons in an area of 481.19 sq. kms. It has one town – Gharghoda Nagar Parishad and 81 villages¹². South Eastern Coalfields Limited (SECL), a Coal India subsidiary has several mines in the District.

COMPLETED PROJECTS

¹² <https://www.censusindia2011.com/chhattisgarh/raigarh/gharghoda-population.html>

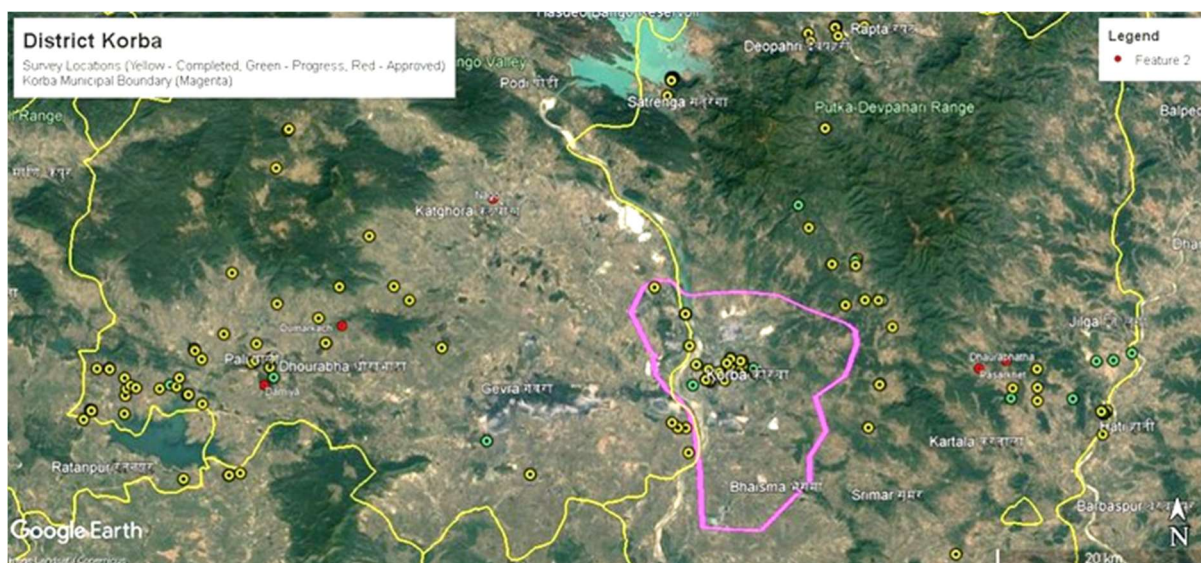
- Dharamjaigarh (boards not seen) people participation has been good and the projects are thus performing well, except the dead body vehicle (hearse van) which is non-functional. In Dharamjaigarh 18 completed projects were surveyed and 33 were surveyed in Gharghoda – thereby totaling to 53 numbers.
- Overall 53 completed projects were visited in Dharamjaigarh, Gharghoda and Tamnar Blocks of Raigarh District. Chhal which is a directly affected village has the maximum number of projects (11 out of 18 completed projects visited in Dharamjaigarh block). Bhendra village and Panchayat has 7 projects in Gharghoda block. 10 in progress projects were visited. Since many CPSUs, PSUs and private entities are involved in mining and industrial activities, there seems to be some awareness about the project either being funded by DMF or CSR. As most of the places were not having project information boards, the information is thus based on the respondent's knowledge and response. Around 80% of respondents knew that the project is funded by DMFT.
- 31% of the total estimated amount in these 53 projects is on drinking water projects and 25% of the amount was spent on physical infrastructure in 9 projects.
- 9 people gave no response or comment on a particular project whereas 16 respondents gave comments on either improving the project or reflected the status of project whether it is damaged or not working etc. In Bhendra the bund lining for the lake is incomplete; in Tendutoha there is a need for boys toilet; in Pusalda the water conservation project isn't able to serve its purpose; Baraud, Bhendra, Kanchanpur have defunct motor and maintenance issues; Bhendra has road which is damaged (subsiding) and the drinking water project is used sparingly as water availability is a problem. In Baraud and Chhal the solar dual pump projects are not working.
- There are variation in costs among projects, e:g solar dual water pump in Bijari and Baraud cost Rs. 14.80 lakh and Rs. 6 lakhs respectively. As the capacity or project is not known nor is the approval order available nothing concretely can be said about the cost variation.
- Different nature of projects in every sector makes it difficult to ascertain the cost to work relation as no detailed documents are available. The minimum and maximum cost in each of the sectors can be seen in the table available in the annexure for this section.
- 13% of the respondents are not satisfied with the quality of projects.
- There are 28% (15 out of 53) respondents who have reported one or the other problem with the project. More can be seen in the Table 'Village Wise Comments' in the Annexure
- Based on these parameters the ranking was compared – 9 have marked as poor and very poor rank (1 & 2) and 7 projects have been given a rank of 3. So, considering that around 30% of the respondents have given a rank of 1 to 3 thereby indicating there is a scope of improvement.

IN PROGRESS PROJECTS

- Total 10 projects were in progress which were covered during the survey

- Out of 10 projects 3 are progressing as per schedule and rest are delayed or left incomplete. The response to quality of the projects has been given for 4 projects in Yes or No. There were suggestions for improvement for all the projects ranging from piped water supply to ensuring good quality of infrastructure being built.
- Only 5 of the respondents were able to tell the reason for delay of the project viz. delayed due to forest permission for a road, pipelines not installed, lack of water supply.
- One project of physical infrastructure is in progress (road construction) and has almost 30% of the amount allocated whereas drinking water projects (3) have a cost allocation of 22% among all the 10 projects in progress.

iii. SURVEY FINDINGS - KORBA DMFT



COMPLETED PROJECTS (133)

- Among the 153 projects, cost estimate for 133 completed projects is available thus these are arranged as per scope of work mentioned in the PMKKKY scheme. 85% of the funds are in the high priority sector¹³ among the projects surveyed and the highest has been in the education sector.
- It was found that 27 of the projects surveyed were located in Korba City which is a Municipal Corporation and many of the projects seem incompatible with the purpose of DMFT, few of these will be discussed in the succeeding section. An estimated cost of Rs. 273 Crore is allocated to these 27 projects.

As per circular dated 6 February 2017¹⁴, the administrative sanction by the Chairperson is irrespective of the cost limit of a project. This has led to unprecedented high cost projects in sectors like education (Syahimudi) as well as sanction of projects related to tourism (physical infrastructure, Syahimudi)

Another circular relevant to education department is as follows;

31 July 2021¹⁵ – A communique to all Chairpersons and Secretary of DMFT states that even after available state departmental budget for education department, the education projects are spending on infrastructure needs from DMFT funds. New education projects have to seek no objection from the education department henceforth.

Sectoral Projects	Number of Projects Completed	Total Estimated Cost (Rs.)
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¹³ This is just a reflection whereas total projects in a district would provide a better proportion of funds earmarked for high priority and other priority sectors

¹⁴ https://www.dmf.cg.nic.in/cms_download.aspx?fn=FbLy2AhCe79YlxiNiOrhYS9ndF0KHsv1cSmLd4tLSvE%3d

¹⁵ https://www.dmf.cg.nic.in/cms_download.aspx?fn=FbLy2AhCe79YlxiNiOrhYdUSsozBviiw4hpOPCC3nnc%3d

High Priority Sectors		
Drinking Water	6	3874000
Environment Conservation and Pollution Control	22	73501000
Health	11	48892000
Education	18	2475976000
Women and Child Welfare	10	6450000
Skill Development	3	4469000
Sanitation	1	4042000
Total Projects Surveyed	71	2617204000
Other Priority Sectors		
Physical Infrastructure	52	427807000
Irrigation	3	5179000
Improving Environment Quality in Mining Areas	5	1930000
Others	2	1514000
Total Projects Surveyed	62	436430000
Grand Total	133	3053634000

- Out of the 132 responses on whether the village is directly or indirectly affected due to mining activity, merely 14 were found to be directly affected by mining, 84 indirectly affected and 34 were those which are neither of these. In the preceding table it can be seen that 27 projects are in the Municipal limits of Korba city. A few projects in Satrenga and Lemru represent the other set of projects which do not represent affected areas. Very less focus on directly affected areas is thus seen.
- Even though majority of the respondents (84.21%) stated that they are receiving benefits from the projects, they were not fully satisfied with the project in many ways. 61% of such respondents had one or more comments/suggestions to made. Majority of the places did not have a project board.
- But almost everyone who has not received benefits has comments and suggestions to make. In these projects maximum project boards were not found. In all out of the 133 completed projects, 102 did not have any project board that the project is funded by DMFT (see table in Annexure). Project boards also convey to the people about the organization that is funding and implementing the project and provides people with an option to approach such organisations in need of any grievance.
- Where respondents said consultation did not happen at any point, out of the 55 such responses, 30 gave a ranking of 1-2 for 30 such projects. Where consultation happened, very few (only 6 out of 72) have given a ranking of 1-2. Only 2 projects were given a ranking of 5. It reflects that wherever some form of consultation happened, ranking has been better.
- Satisfaction with quality of projects is also divided. 55% of the respondents (completed projects) gave response regarding quality of the project. Among these 84% rated the quality as average and 16% rated the quality as bad and very bad.

IN PROGRESS

- Physical infrastructure sector forms part of the other priority sector and tops with number of projects and the total cost. **Out of the Rs. 18.37 Crore for this sector, Rs. 17 Crore is for building a Convention Centre in Risdi, Korba. The other is Multi-storey parking in the city of Korba at a cost of Rs. 17.15 lakh. The parking project is incomplete and the infrastructure is degrading.** One must remember that Korba was also one of the cities selected under the Smart Cities programme by Ministry of Housing and Urban Development.
- Out of the 20 projects in progress 15 were surveyed in Korba and 5 in Pali block.
- 50% of the projects in progress were in indirectly affected areas, 25% were in directly affected areas and for the rest 25% people were unsure about whether the area is directly or indirectly affected.
- Majority of the respondents mentioned that some consultation took place for the project and most were satisfied with the quality of the projects (16 out of 20). Wherever respondents said 'no' or 'yes' there were some specific comments/suggestions which can be seen in the last table of Annexure.
- Those projects which are left incomplete, few of them are Fair Price Shop, PDS Godown and Panchayat Secretariat building which are essential for localised benefits to the community. Many of these which are delayed are meant for village use viz. Anganbadi, Returning wall, culverts etc. Early completion will ensure benefits are accrued to the communities in difficult times

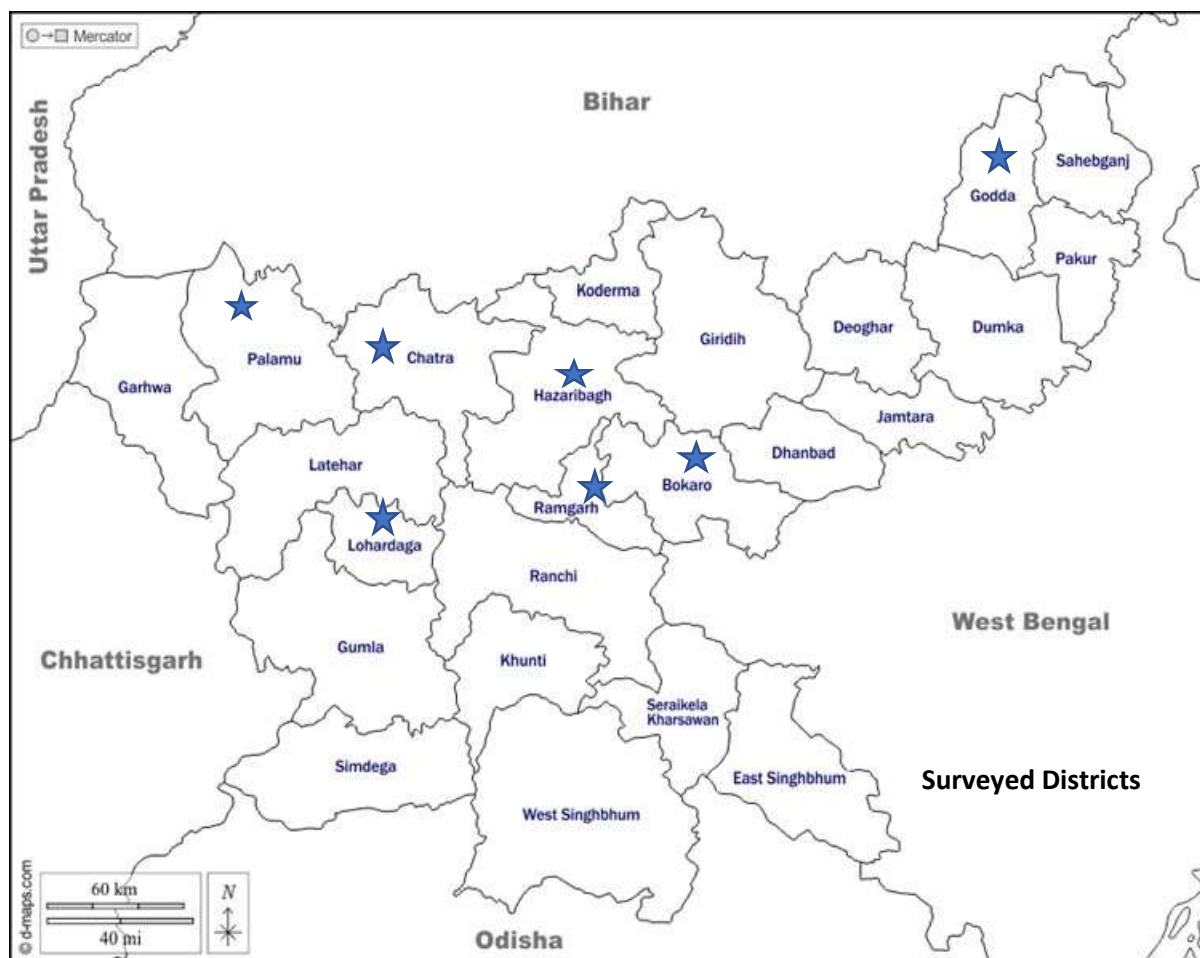
2. JHARKHAND

i. OVERVIEW

District Mineral Foundation Trusts are registered in all the 24 districts of Jharkhand. The Trusts were notified through a state notification dated 23.03.2016 for major minerals (Fuel, Metallic) and on 13.01.2017 for minor minerals. Majority of the contribution in the DMFT is from Coal mines, approximately 71% and a meagre 4.9% from minor minerals. Among the major mineral bearing states, Jharkhand has less projects that have been sanctioned in comparison to the receipts in the DMFT.

The Principal Accountant General brought out an audit report on the working of DMFT, Jharkhand in the beginning of first quarter of 2022. The report was critical of the working of Trust and even pointed to presumptive fraud of DMFT funds¹⁶. Many of the activities are in deviation from the objectives of the Trust. **Jharkhand's DMFT rules were progressive so far as bottom-up approach suggested in the Rules but the audit of DMFT reveals the misuse of funds.**

Specific District details are dealt with in the succeeding sections with relevant secondary information like maps, affected areas identification, survey locations (white circle with black dot in the center) and key summary findings of the survey.



¹⁶ <https://theprint.in/india/audit-report-indicates-gross-misuse-presumptive-fraud-of-dmft-fund-in-jharkhand/938607/>

Total 217 projects were surveyed in the State of Jharkhand distributed among 7 districts (Dhanbad is being dropped due to only 1 random survey). Among these majority of them are completed projects. All the districts are prominent mining districts and are concentrated around one another except Godda.

Surveyed Districts	Status of Projects Surveyed			
Districts of Jharkhand	Completed	Progress	Approved	Total
Ramgarh	34	4		38
Lohardaga	22	2		24
Godda	4	1		5
Bokaro	23	2	1	26
Hazaribagh	7			7
Palamu	92			92
Chatra	21	2	1	24
Dhanbad	1			1
Grand Total	204	11	2	217

I. THE CASE OF GODDA DISTRICT, JHARKHAND - Boring Unsuccessful!

G1	Reasons for Drinking Water Failed Projects, Godda, Jharkhand						Total Failed Projects
Block	Bore not success	Location not found	No Land	No Source	No ST Pop.	Other fund	
Boarijor	50						50
Mahagama	1		2				3
Poraiyahat	20	1	2	1	7	6	37
Sunderpahari	9						9
Grand Total	80	1	4	1	7	6	99

Source: Data from Godda DMFT Portal

A high number of projects failed due to ill planning in various blocks of Godda. Out of the 99 projects failed due to various reasons, maximum projects (80 or 80.80%) failed with a reason 'bore not success'. Godda is a water stressed region as stated in several state reports. Utmost care should have been taken before initiating the project of such nature which required geo-technical investigations or sub surface investigations pertaining to ground water. Other reasons for projects not going ahead were no land was available (4 projects), no source (1), no ST population (7) and where other funds were invested (6). This has led to huge loss to the DMFT in terms of wasteful expenditure not leading to any social welfare as envisaged under the PMKKKY scheme and defeats the intent of amendment brought in the form of section 9B in the MMDR Amendment Act of 2015.

G2	Bore not success		Location not found		No Land		No Source		No ST Pop.		Other fund		Total	
	Sanctioned Amount	Released Amount	Sanctioned Amount	Released Amount	Sanctioned Amount	Released Amount	Sanctioned Amount	Released Amount	Sanctioned Amount	Released Amount	Sanctioned Amount	Released Amount	Sanctioned Amount	Released Amount
Boarijor	21.30	12.99											21.30	12.99
Mahagama	0.43	0.21			0.85	0.43							1.28	0.64
Poraiyahat	8.52	5.53	0.43	0.21	0.85	0.63	0.43	0.21	2.98	1.49	2.55	1.28	15.76	9.37
Sunderpahari ¹⁷	3.83	2.34											3.83	2.34
Grand Total	34.09	21.09	0.43	0.21	1.70	1.06	0.43	0.21	2.98	1.49	2.55	1.28	42.19	25.35

Amount in Rs. Million

Out of the total amount sanctioned (Rs. 42.19 million) for these 99 projects, 60% was released to the respective entity who did the work i.e. the Public Health and Engineering Department (PHED). If such a large amount of Rs. 25.35 million was released for failed projects, it points to poor planning and wrong intent because not all bore would have been dug in one go¹⁸ at all the locations. If the failures were captured at one or two places, the rest of the projects could have been scrapped altogether or a scientific approach should have been followed which was not done. **The amount lost for projects where bore wasn't a success is close to Rs. 21.09 million.** Now whether the amount released has been taken back by the DMFT or not is not known. **But this huge loss points to issues related to poor planning, lack of monitoring, no annual plan preparation with scientific approach for areas which have ground water problems. Such a blind expenditure defeats the purpose of DMFT and sets a trend of wasteful expenditure if not attended to with strict actions.**

Panchayat	Number of Failed Projects
Baghmara	9
Sidhbank	6
Bhatonda	5
Dladali Gopalpur	5
Lilatari 2	5
Salaiya	5
Amor Santhali	4
Kendua	4
Meghi	4
Paharpur	4

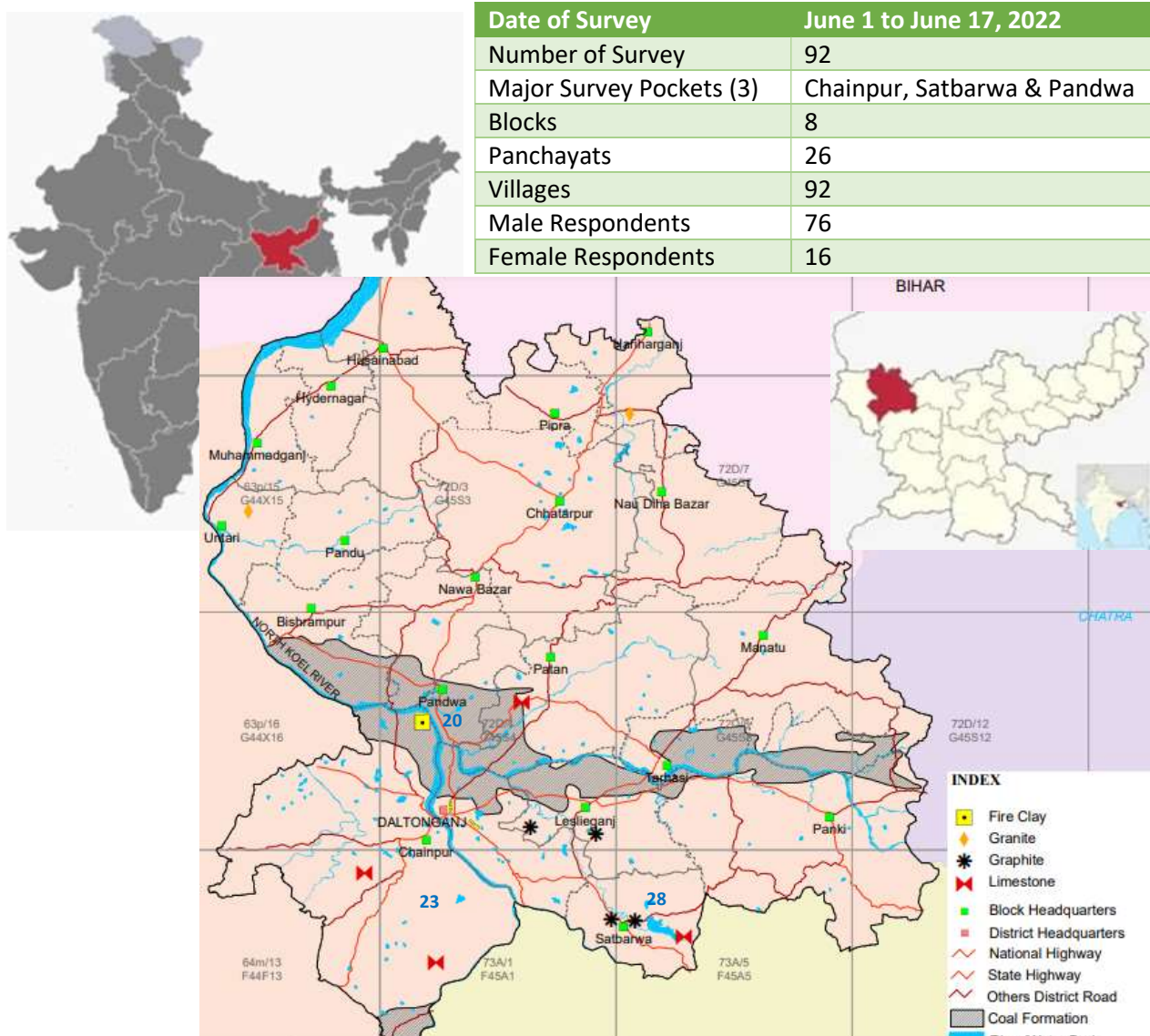
Babupur	3
Bargachha Hariyari	3
Dhenukatta	3
Jamujharna	3
Jhirli	3
Lilatari 1	3
Tarkhutta	3
Bansjori	2
Bara Boarijor	2
Bara Sripur	2
Daldali Gopalpur	2
Ghatyari	2

¹⁷ <https://latestnews.fresherslive.com/articles/on-the-hills-of-jharkhand-water-crisis-renders-life-difficult-in-tribal-villages-1008320>

¹⁸ 86 failed projects were undertaken in 24 Panchayats, some like Baghmara with 9 such projects. (see table G3)

Kasturi	2
Sakrifulwar	2
Amarpur	1
Amuwarr Santhali	1
Basua	1
Birniya	1
Chandna	1
Dakaita	1
Dkaita	1
Dumaria	1
Garhi	1
Kusbilla	1
Pindrahat	1
Rajabhitta	1
Sarbhangga	1
Grand Total	99

II. OVERVIEW OF PALAMU, JHARKHAND



Palamu district in Jharkhand highlighted in inset map, Mineral map of Palamu indicating key minerals

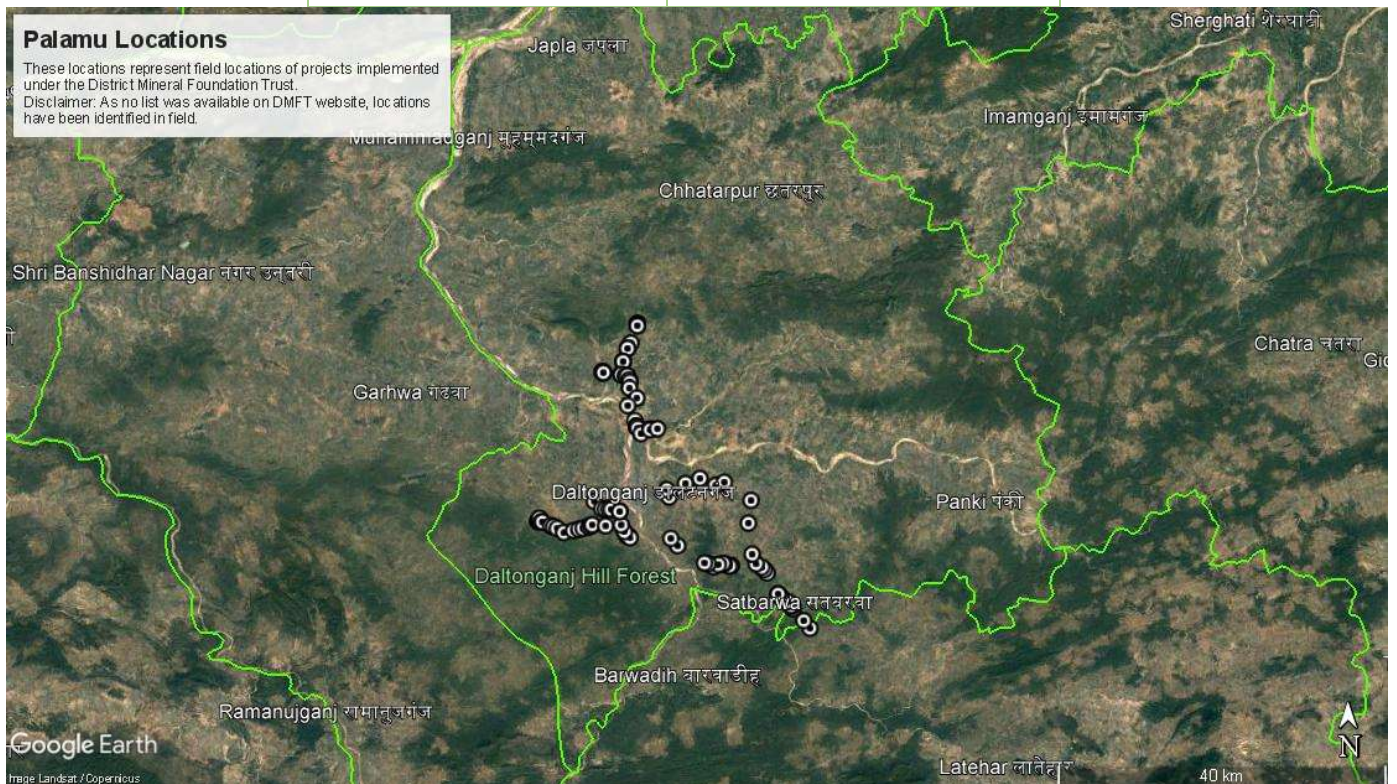
https://geology.jharkhand.gov.in/documents/mineral_map/Palamu_mineral.pdf

Palamu is located in the North Western part of Jharkhand sharing its border with District Chatra, Latehar, Garhwa and State of Bihar. Palamu and all the adjoining district are mineral belts of coal, graphite, limestone, dolomite and decorative stones, bauxite. Poverty in Palamu is 45.54%, percentage of population that is multidimensionally poor, the MPI score for the district is 0.227 to 0.255.¹⁹ Total population of the district is 19.36 lakh persons. Chainpur block has a population of 2.26 lakh (90.4% population rural), Satbarwa block has a population of 66,417 persons which has urban population to its fold, and Pandwa block too has urban population at 46,257 persons. Poverty in Palamu itself indicates targeted programmes to deal with multi-dimensional poverty that exist in the district. DMFT on the other hand addresses

¹⁹ https://www.niti.gov.in/sites/default/files/2021-11/National_MPI_India-11242021.pdf

the problem but with specific target for those families who are directly or indirectly affected by the mining operations in the district.

Block	No. of Villages Covered
Chainpur	28
Medininagar	5
Nawabajar	5
Pandwa	21
Patan	4
Sadar Medininagar	1
Satbarwa	28
Grand Total	92



i. SURVEY FINDINGS

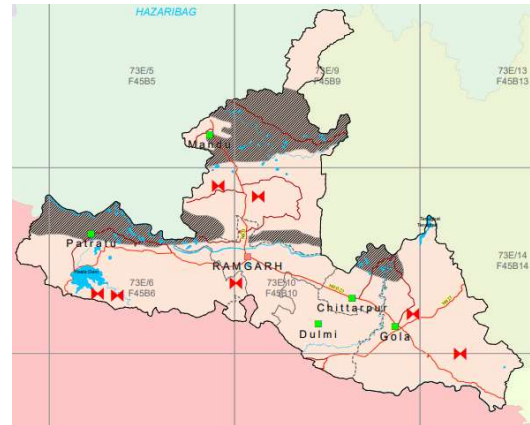
1. Out of 92 respondents, 74 did not know whether the project is funded by DMFT. Only 18 (19.56%) respondents knew that the project is funded by DMFT. This shows clear indication of poor awareness generation in the villages.
2. Majority of the projects witnessed in the absence of list of projects by Palamu DMFT pertain to Solar based Drinking Water Supply. The project is conceived with a raised 10-12 feet platform with a water tank resting above it and a solar panel is provided for supplying power for pumping water to the tank.
3. 80 out of 90 projects are solar based drinking water supply. 11 are women and child welfare projects being implemented by state government under the name Kilhari²⁰ and 1 is education sector project

²⁰ Kilhari (a baby's gurgle in Hindi) delivers free, weekly, time-appropriate audio messages about pregnancy, child birth and child care via Interactive Voice Response (IVR). Messaging begins in the second trimester of pregnancy and continues until the child is one year old

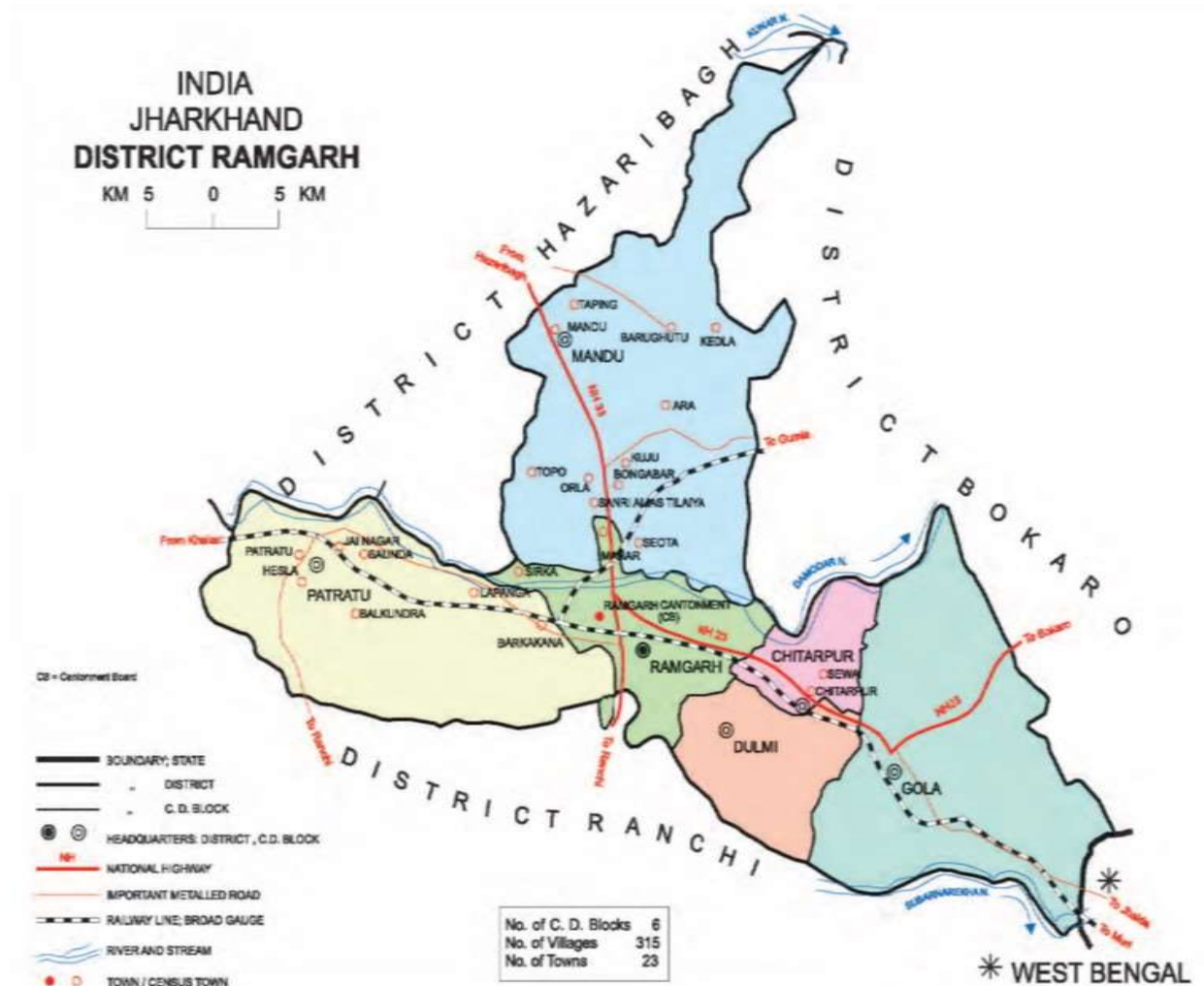
4. There is quite high-cost variation among solar water supply schemes noticed in all the 80 locations. The average cost comes out to Rs. 7,14,025. The maximum projects i.e. 41 schemes have a cost in the range of Rs. 6,51,000 to 8,50,000. The minimum cost of the project was Rs. 4,56,000 while the maximum cost was Rs. 15,60,000. These costs were noticed from the boards that are placed near the scheme and with no availability of cost estimate prior to the project implementation, nothing concretely can be ascertained about the cost. But one aspect is clear that if the list of these projects was available beforehand on the district website alongwith cost estimate, a clear picture would have emerged.
5. Interestingly, only 5 respondents have exclusively told that the project has not started giving benefits, these are Aanganwadi projects which are either under construction or incomplete. 87 responded in Yes when they were asked about project providing benefits, there are varying degree of satisfaction level among people. 13.79% of people ranked the projects as average.
6. 84 respondents said they know about some meeting that was held for the project and 8 of the respondents said no consultation was held. It is also interesting to know that some or the other Gram Panchayat meeting must have happened but when people were asked whether they know that the project is funded by DMFT, only a handful of respondents (18 of 92) said they knew that DMFT has supported the project. Projects have been formulated in the past by the State Government budget but with this special purpose fund, which is meant to improve the living condition and welfare of the affected, lack of awareness is seen in the population.
7. While majority of the people said suggestions were given for the project, more than half of the respondents did not know what suggestions were given. This again portrays a grim picture of taking DMFT to the villages and it also points to the fact that if the process of annual plan as mentioned in the rules was taken up, there would have been informed decisions in the villages.
8. 42 projects were found to be working and people were satisfied to an extent. Among these 35 are solar based drinking water projects, 2 of education and 5 of Women and Child Welfare
 - a. In addition, 15 projects were those drinking water projects which are working but drainage problem has been found.
 - b. Also 16 drinking water projects were not working due to a variety of problems including defunct pump, solar panel lost, low pressure
 - c. 5 projects were such where people reported unsuitable location i.e. accessibility. In many cases, the project is serving only few houses and many are not able to take benefits.

III. OVERVIEW OF RAMGARH, JHARKHAND

Ramgarh is an industrial mining District, especially coal mining under the Central Coalfields limited which is a subsidiary of Coal India. Coal is found in the central portion of the district and in the Northern part around Mandu. The coalfield is spread in 64 km² approximately. The total population of Ramgarh is 9.49 lakh persons, almost 56% is rural population. Ramgarh itself is an urban agglomeration having a population of 1.32 lakh persons. Ramgarh town is a Municipal Council.



DMFT Registered on 15.03.2016



Tabulation of Type of Affected Areas and Panchayats

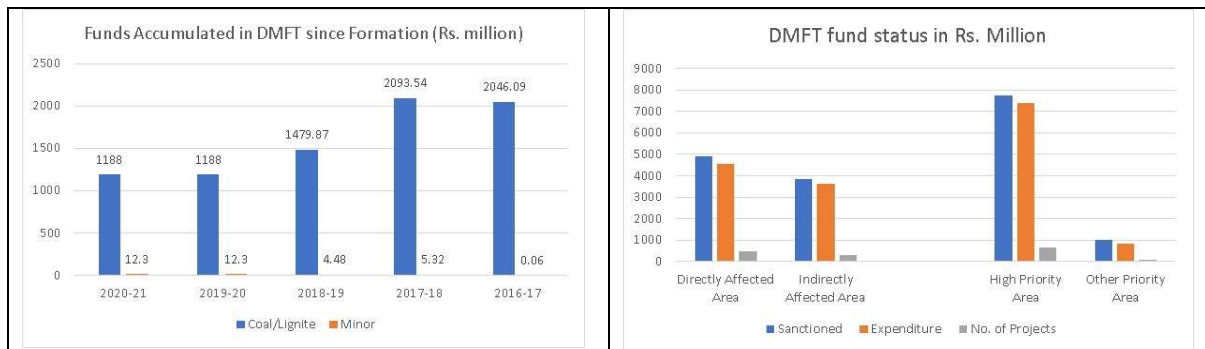
District Ramgarh Blocks	Panchayats & (Villages)	Directly Affected	Indirectly Affected	Total
		Number of Panchayat/ Nagar Parishad / Cantonment Board	Number of Panchayat/ Nagar Parishad / Cantonment Board	
Patratu	42 (85)	29	13	42

Mandu	36 (85)	27	8	35
Gola	21 (91)	8	13	21
Nagar Parishad	not provided	8	21	29
Chitarpur	13 (23)	7	6	13
Dulmi	10 (40)	5	5	10
Ramgarh	3 (27)	2	1	3
Cantt Board			1	1
Grand Total	125 (351)	86	68	

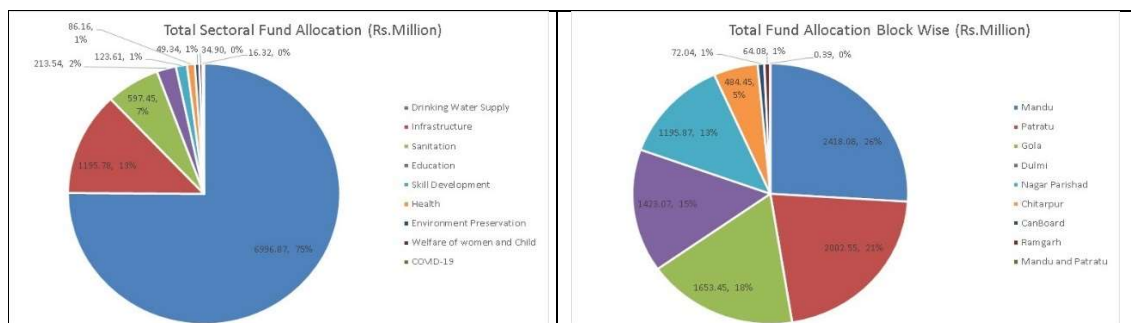
Source: DMFT Ramgarh Website & District NIC Website

Note: Nagar Parishad is not counted in the Panchayats Column

- Patratu & Mandu blocks in District Ramgarh represent the maximum number of Panchayats directly affected in these blocks respectively. 65.12% of the total directly affected Panchayats are in these two blocks.
- Nagar Parishad and Gola represent 50% of the indirectly affected wards and Panchayats in District Ramgarh



- Major contributor to DMFT fund is coal mineral which is mined extensively in the District. The contribution has been decreasing from 2018-19 onwards probably due to reduced output or slow collection. Minor minerals contribution is very miniscule but has been increasing since DMFT formation. Minor mineral leases are generally large in number but low royalty on these minerals has thus low contribution to the fund.
- Total fund sanctioned is Rs 8749 million whereas total expenditure is Rs. 8195 million. As one can see a high proportion of funds have been spent in high priority areas (85%). The PMKKKY guidelines stipulate 60% of the funds to be spent in high priority areas. But merely spending large amounts in high priority areas does not mean the projects are useful for the affected. Interestingly, the beneficiaries from these projects have been calculated by the DMFT as 9.49 lakh persons which was the population of the district in 2011.

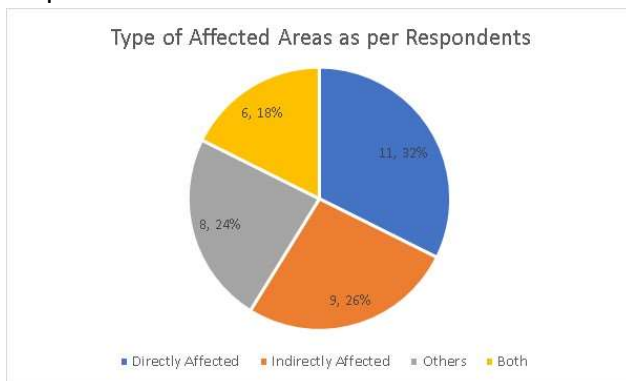


- Maximum allocation has been done in Mandu and Patratu Blocks which have largest directly affected Panchayats among all affected panchayats.
- In terms of sectors, Drinking water get the lion's share of fund allocation (75.12%) followed by Infrastructure at 12.84%. Sectors like education environment preservation, health, sanitation and welfare of women and child get a total share of 5.45% funds

i. SURVEY FINDINGS



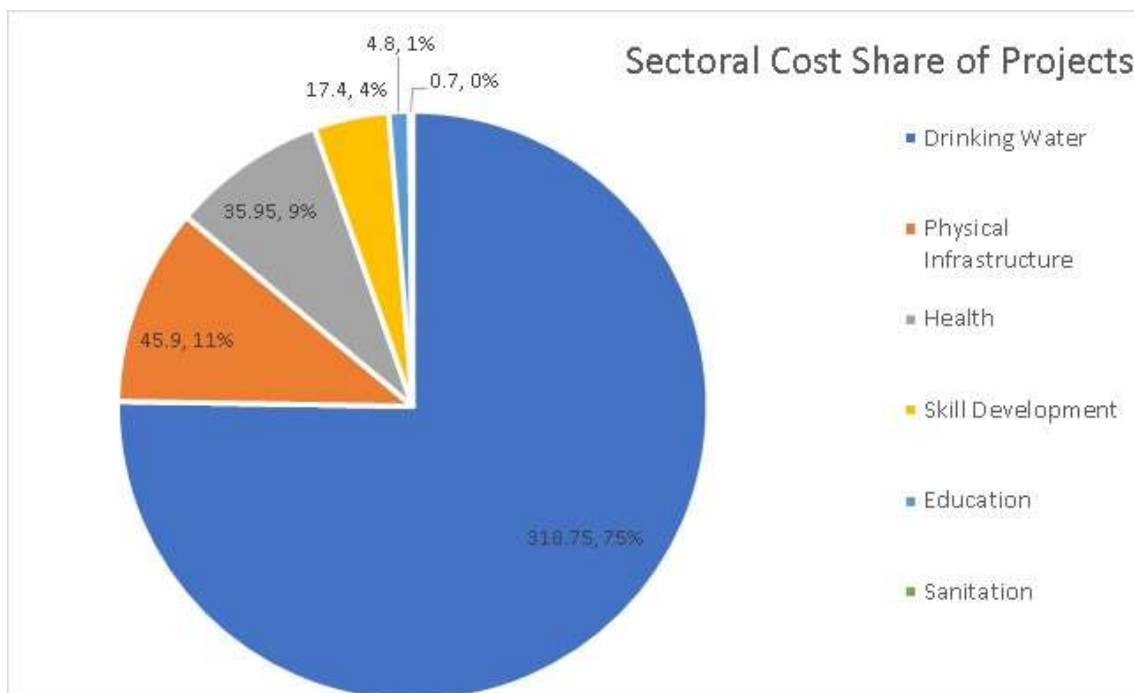
1. 34 villages in five blocks of Ramgarh were surveyed, Gola (10), Ramgarh (11), Dulmi & Patratu (6 each) and Chatar (1). Among these completed 34 projects, 16 are under the high priority sector (drinking water) and Health (10)
2. 23.52% respondents were females in the surveyed projects which are completed.
3. Out of 10 health projects, 8 were in Ramgarh which is the District HQs where high level facilities are made available for the District population. Certain of these projects include blood bank, seating arrangement at Sadar Hospital, recruitment of staff. 6 of these projects are concerned with Sadar hospital and related infrastructure provision. Thus, there is concentration of health infrastructure at the headquarter level.
4. 88.23% or 30 respondents did not know about the project funded by DMF, only 4 respondents knew about it.



5.

There is a varying proportion of knowledge about type of affected areas i.e. whether directly or indirectly affected. Others represent those areas which are not directly or indirectly affected like the Ramgarh District headquarter itself.

6. The largest project among all the projects assessed is the Serengatu and adjoining village RWSS part-3 costing at Rs. 312.45 million in the Gola block. A bridge in Dulmi block in physical infrastructure category is Rs. 20 million. Under skill development fish cage for fish production has not worked but has costed Rs. 17.40 million, many other such projects exist but due to paucity of resources and time more could not be visited
7. Sectoral cost share of projects is led by drinking water projects. As stated in preceding section, a large water project in Gola block costs Rs. 312 million alone.

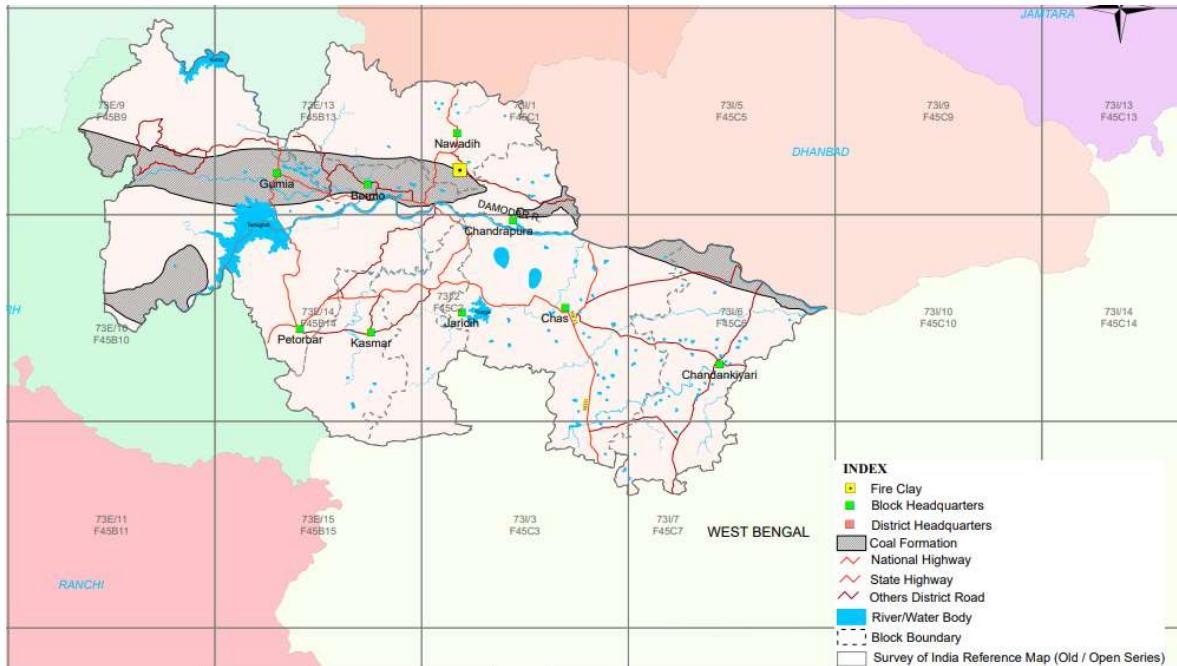


8. Out of 34 completed projects surveyed, 50% are given a ranking of 1 & 2, 6 projects a ranking of 3 and 11 projects are given a ranking of 4 & 5 respectively. The respondent's response was registered based on their experience with the project on a scale of 1 to 5. Low ranking of 50% of the projects is attributed to quality, utility, their location and working status of the projects which can be seen in the annexure.
9. In case of drinking water 50% of the projects are ranked 1 & 2 and 50% are ranked 3&4. No project has been given a ranking of 5 i.e. high. There are systemic (monitoring, maintenance) problems which if addressed can make the project more useful.
 - In health sector, 40% projects are ranked low (1)
 - In physical infrastructure, 60% projects are ranked low to very low based on least priority for the projects
10. A high number of respondents believe they are not satisfied with the quality of the project due to one or the other reason while 9 are satisfied with the quality. Also 13 respondents highlighted the maintenance and upkeep issues in projects, especially with drinking water projects. It is clear that wherever maintenance issues are there people

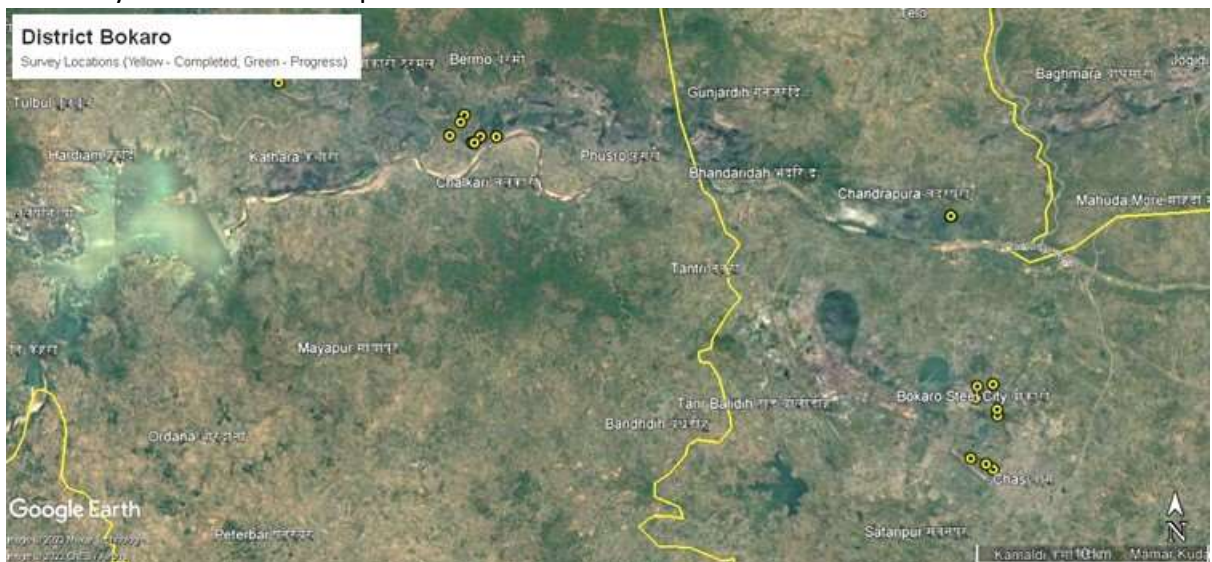
have indicated especially in the drinking water sector which is one of the high priority sectors under DMFT and PMKKKY guidelines.

11. Majority of the people said there were no suggestions sought during the execution of the project barring 2 such projects, one being 17 fish cage projects where owner wanted compensation for the land used and second in health facility Kulhi where it was requested to open it for public as the toilet is outside the premises of facility and could be put to better use.
- 12. Among the ongoing projects, 3 are physical infrastructure projects viz. town hall in Ramgarh, Indoor Stadium and Market Development in Gola. These 3 cost Rs. 130 million**

IV. OVERVIEW OF BOKARO, JHARKHAND



Bokaro is well known by the Bokaro Steel Plant and is home to various Central Public Sector Undertakings, established private industries and several ancillary industrial activities and mining of minerals. It is one of the major industrial towns in Jharkhand and is the fourth populous urban center in the state. There is no listing of directly or indirectly affected areas in public domain.



i. SURVEY FINDINGS

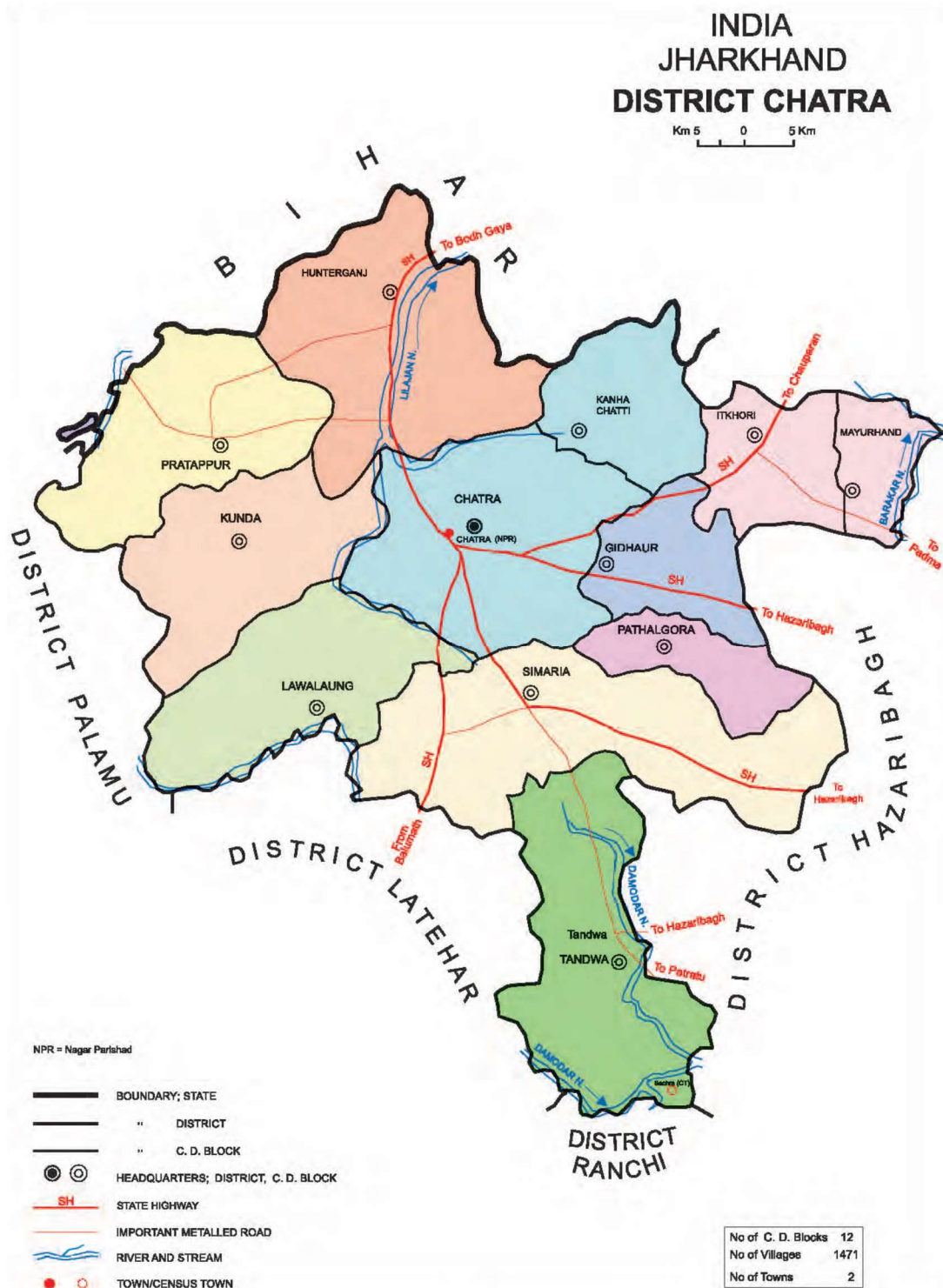
- A total of 23 sites (villages) were visited in Bokaro. Out of the eight health projects, 7 are concentrated in Urban Bokaro. These are open gyms established in open spaces/parks in various sectors of Bokaro Town. Even the PAG report for Jharkhand DMFT questions such projects.
- Among 14 physical infrastructure projects, 12 are road construction projects and 2 are of drain construction in Bermo and Gomia.

A mega drinking water scheme in Gomia (Swang Water Supply Scheme) costing Rs. 90 million is the lone water sector project.

Only 11 of the 23 respondents answered about the availability of basic facilities in the village. The opinion was divided with 5 saying No and 6 saying Yes. For any project to be established in a location, the prior information about existing facilities is to be ascertained for better prioritization of spending amount from DMFT fund.

- 100% of the respondents knew about DMFT and all respondents barring only one mentioned that the projects are imparting benefits to the people. The CC road project in Chandrapura is under construction. As the projects are completed, it was to understand what problems are being faced.
- It is surprising that even though people knew about DMFT projects but no consultation took place for the projects except the one which is currently being built. It must be understood that consultation with local self-governance bodies and affected Panchayat/Gram Sabha would have improved the quality and implementation of the projects.
- Although 22 respondents said they are getting benefits but 21 among them are not satisfied with the quality of the project. When asked if they are not satisfied with the quality, 21 respondents categorized the quality as average, 1 categorized as bad and good each. This is directly linked with the lack of consultation that did not happen for the projects. The projects are not too old but these can slip back into poor or bad quality in coming years. On a scale of 1 to 5, opinion of respondents was taken to rank the project (1 being bad and 5 being good). Majority of the responses (20) ranked the projects at scale 3 which is the midpoint of bad and good.
- In Bokaro, a common problem in road construction projects (physical infrastructure) is noticed i.e. most of the projects have disregarded drainage alongside road which is a reason for dissatisfaction with the project. In case of no drainage, the direct impact is on the road surface which degrades fast.
- **The 7 open gyms surveyed in Bokaro City are built with the DMFT fund under the Health Sector, a high priority sector. Bokaro being a city, normally such funds are earmarked by the Municipality or under CSR. The first and foremost focus should have been on strengthening or creating health infrastructure or screening in rural areas affected by mining operations.** These assets in absence of any O&M mechanism are partly functioning.

V. OVERVIEW OF DISTRICT CHATRA, JHARKHAND



No	Name of the Block	Blockwise Panchayat	Panchayat Total Villages	Directly Affected Panchayat	Directly Affected Villages	Indirectly Affected Panchayat	Indirectly Affected Villages
1	Chatra	16	182	0	0	16	182
2	Itkhor	12	159	0	0	12	159

3	Gidhaur	6	38	0	0	6	38
4	Mayurhand	10	118	0	0	10	118
6	Kunda	5	78	0	0	5	78
7	Lawalong	8	103	0	0	8	103
8	Pathalgada	5	30	0	0	5	30
9	Kanhachati	10	124	0	0	10	124
10	Pratapur	18	176	0	0	0	0
11	Hunterganj	28	270	28	284	0	0
12	Simariya	17	100	17	99	0	0
13	Tandwa	19	96	19	96	0	0
Total		154	1474	64	479	72	832

Source: DMFT Chatra & District NIC Website

- Almost the whole district of Chatra is affected by mining. Out of the 154 Panchayats, 136 are either directly affected or indirectly affected. The three blocks of Hunterganj, Simariya and Tandwa are directly affected by mining completely constituting 64 Panchayats and 479 villages. Hunterganj lies in the NW and Simaria-Tandwa contiguous blocks in the S & SE
- All the remaining 10 blocks have been identified by the DMFT as indirectly affected.



i. SURVEY FINDINGS

- Unlike Bokaro, projects visited in Chatra largely fall in the high priority sector as per PMKKKY. Overall 21 projects were visited.
- The major focus block was Tandwa where 18 locations were visited and multiple projects were found in villages. Tandwa's 19 Panchayats and 96 villages are earmarked as directly affected area by the DMFT, Chatra.
- In Tandwa block almost all respondents said that basic facilities are available in the villages.
- 20 out of the 21 respondents knew about the DMF funding for the project barring only one in Chatra. Similarly, all the respondents agreed that they are getting benefits from the projects implemented in their villages. But all of them also agreed that there was no public consultation for the project.

- Overall 71.4% respondents are not satisfied with the quality of the project. Whereas 83.33% in Tandwa which is a directly affected area are not satisfied with the quality. No public consultation could be one of the reasons for dissatisfaction with the project. Public consultation provides a platform to include suggestions and institutionalize the project which has been missing. 63.15% categorised the quality of project as average, 15.78% categorised it as bad and 21% categorised it as Good. There is always a asset quality slippage risk with time so the average and bad category projects should be addressed for improving their quality.
- The ranking criteria almost matched with the responses for quality of the project. Majorly 66.66% are placed neither poor nor good i.e. average.

VI. DISTRICT LOHARDAGA, JHARKHAND

Lohardaga is the least populous district in the State located in the west of Ranchi, the state capital and is only second smallest in terms of its geographical area. The district is rich in Bauxite mineral which is a major mineral and has 16 leases in the district. Apart from bauxite, there are minor mineral leases of sand and stone. It is also considered as one of the backward districts in the state.

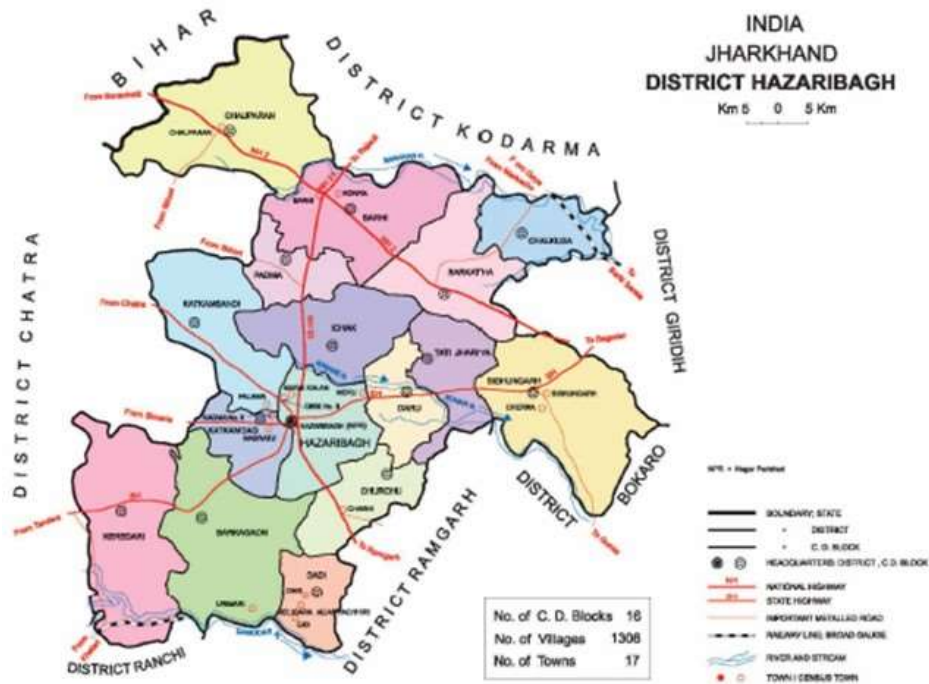


i. SURVEY FINDINGS

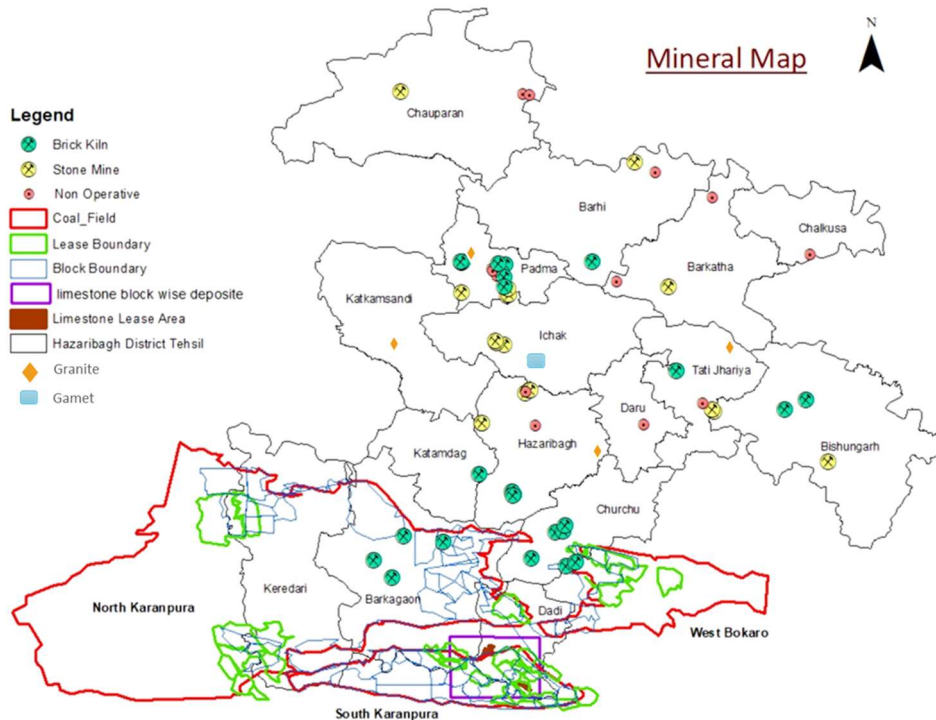
- Most of the projects in Lohardaga were drinking water (91%). Most of these drinking water supply projects were in the Kisko and Lohardaga block representing 68% of the project locations visited.
- Most of the respondents agree that the basic services at the village level are available in the village.
- Like the other two districts of Bokaro and Chatra, respondents in Lohardaga also knew about the funding source of the project which is DMF but little they know about affected people's role in DMFT and whom to approach in case of any grievance.
- 91% of the respondents stated they are receiving benefits from the project.
- 100% of the respondents also stated that there was no public consultation before the initiation of the project.
- This has to be seen in light of the specific rules of Jharkhand DMFT, 2016 wherein rule 8 specifically suggests bottom-up approach in identification of activities as well as preparation of annual plan.
- The trend is interesting as also seen in Bokaro and Chatra wherein people said that they are not satisfied with the quality of the project. One reason clearly is lack of participation at the project formulation stage wherein suggestions from the people weren't taken.
- Out of the 20 respondents who also replied about the categorization of quality, 95% have placed the quality of projects as average i.e. there is a scope of improvement which can be attempted now also. The response about quality also matched well with the ranking which has been given to the projects.

- 19 of the 22 respondents ranked the project in scale 3 which is the midpoint of the scale 1 to 5.

VII. OVERVIEW OF DISTRICT HAZARIBAGH, JHARKHAND



Hazaribagh is endowed with vast natural resources, especially a wide variety of minerals. Various minerals have been reported to occur in the district. Based on the mining lease records, it can be inferred that the following minerals are found in the district: Coal, Fireclay, Limestone, Quartz, Felspar, Granites, Garnet, Building material (Stone Aggregate), sand, and brick clay. Hazaribagh and its surrounding districts form a contiguous mineral region. The population of district in 2011 was 17.34 lakh persons making it the 6th populous district in the state. There are 24 districts in Jharkhand.



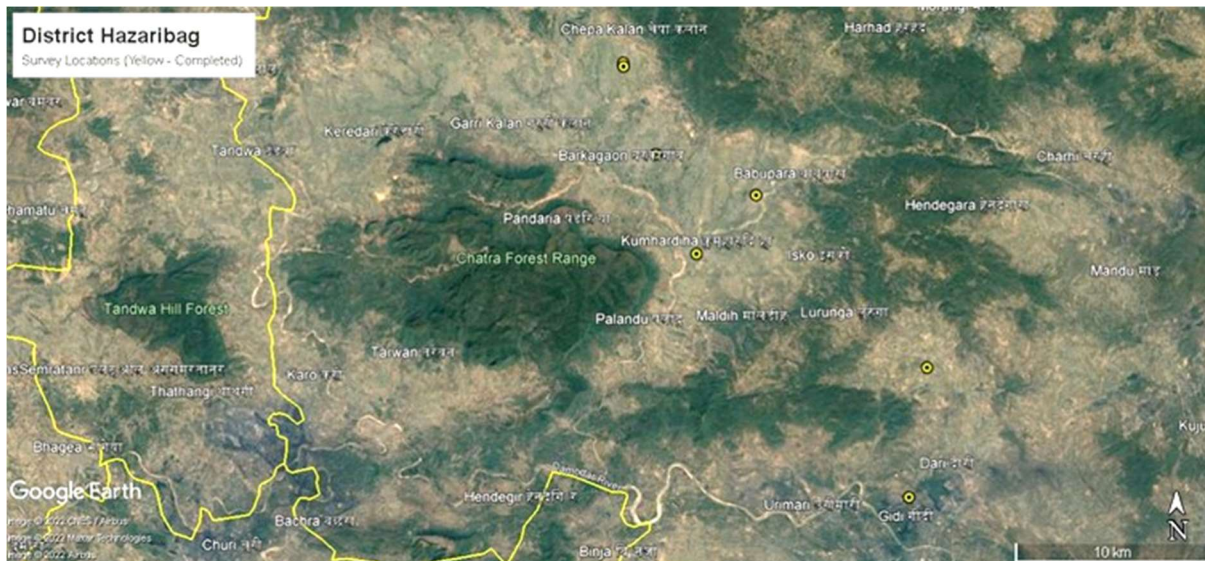
Block	Total Panchayats & (Villages)	Directly and Indirectly Affected Panchayat	Directly Affected Villages	Indirectly Affected Villages	Total (IV+V)
<i>II</i>		<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>
Barkagaon	23 (86)	23	23	61	84
Keredari	16 (76)	14	22	28	50
Ichhak	19 (98)	Not indicated	14	14	28
Padma	8 (43)	5	12	4	16
Daadi	14 (31)	16	10	19	29
Sadar	25 (86)	8	10	5	15
Dadu	9 (53)	7	8	7	15
Churchu	8 (40)	8	4	37	41
Barkatha	17 (84)	4	4	4	8
Chouparan	26 (267)	9	3	49	52
Barhi	20 (125)	8	3	30	33
Taatijharia	8 (60)	2	3	5	8
Chalkusha	9 (40)	1	1	4	5
Bishnugarh	24 (102)	2	1	1	2
Katkamdagh	13 (48)	12		20	20
Katkamsaandi	18 (85)	3		14	14
	257 (1324)	122	118	302	420

Source: DMFT Hazaribagh Website & District NIC Website

- Almost 53% of the directly and indirectly Panchayats are in the four blocks of Barkagaon, Dadi, Keredari and Katamdagh which are in the south of the District Hazaribagh. The remaining affected Panchayats are spread across the district as seen in the table and block locations in the map.
- In terms of directly affected villages Barkagaon, Keredari, Ichhak and Padma have the maximum number of such villages. These together account for 60% of the directly affected villages in the District.
- In terms of indirectly affected villages, the blocks of Barkagaon, Chauparan, Churchu and Barhi represent 60% of the indirectly affected villages in the District. Overall there are 122 affected Panchayats, 118 directly affected villages and 302 indirectly affected villages. Indirectly affected villages identified are 2.5 time more in numbers than the directly affected villages.
- Almost 47% of the Panchayats in the district are affected, either directly or indirectly. Likewise, 9% of the total villages in the district are identified as directly affected and 22% are indirectly affected. Those Blocks where all Panchayats have been identified by the DMFT as affected are Barkagaon, Churchu and Daadi²¹.

²¹ Number of Panchayats in District's NIC website is indicated as 14, affected Panchayats indicated in DMFT list is 16

- Those blocks where maximum number of Panchayats have been identified as indirectly affected by the DMFT are Katamdagh 12 out of 13 Panchayats, Dadu 7 out of 9, Keredari 14 out of 16.



i. SURVEY FINDINGS

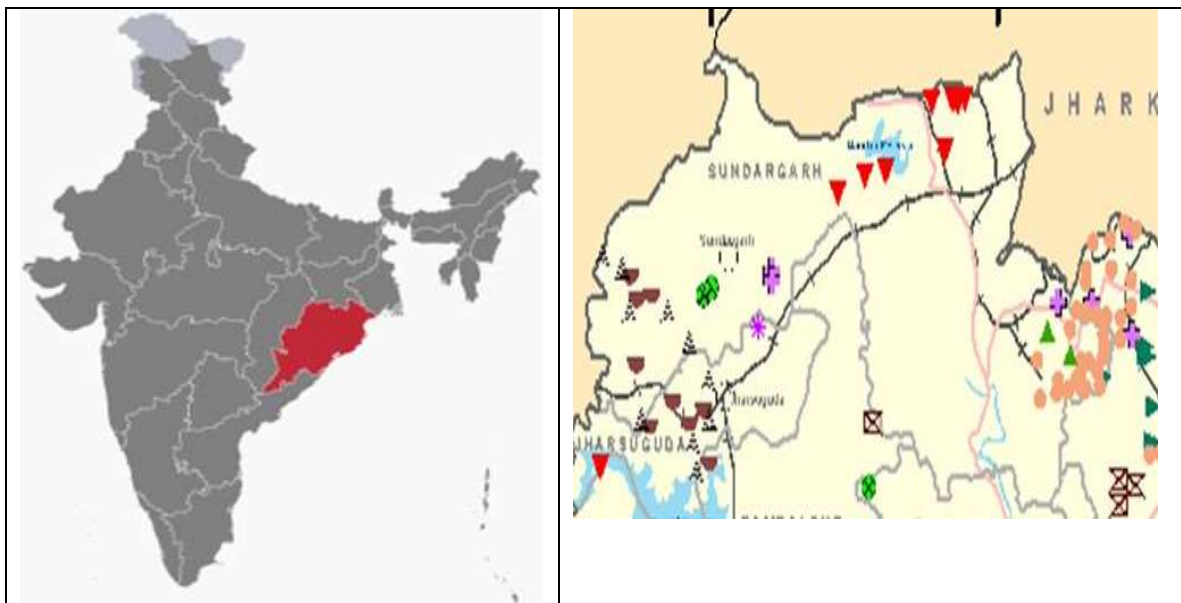
- Only seven surveys were done in Hazaribagh District's Badkagaon and Dadi block. All the respondents said the basic facilities are available in the village.
- 100% of the respondents knew about the project is funded by DMF and that they are getting benefits from the project.
- 5 of the 7 respondents said that there was no public consultation before or after the approval of the project.
- 71% or 5 respondents are not satisfied with the quality of the project implemented under DMFT and have categorized the quality as average. Only 2 respondents have said quality of the project is good.
- When asked to rank the projects on a scale of 1 to 5, 71% respondents gave a rank of 3 and rest of the respondents gave a rank of 4. This implies that if the quality of the project is average or good, the rank is accordingly given by the respondents.

ii. FINDINGS OF ONGOING PROJECTS CHATRA, BOKARO, LOHARDAGA

- A very few ongoing projects were visited in Chatra, Bokaro and Lohardaga.
- There was no public consultation for these projects. These are at various stages of implementation and some are incomplete which is indicated in the tables that follow.
- None of the respondents were satisfied with the quality of the project, 4 were categorized as average and 2 were categorized as very poor.
- Out of these 6 projects 3 are delayed, 1 is left incomplete and 2 are progressing as per schedule.
- None of the projects were ranked beyond rank 3 which means that rank on a scale of 1 to 5 is average and bad and when seen alongwith quality of the project, it indicates there is a scope of improvement in the project which are being implemented.

- The delayed projects are Sadar Hospital Chatra, CC road of Rajbeda village of Bokaro and Mini Water supply scheme in Kekrang village of Kisko Block in Lohardaga. The sadar hospital projects costs Rs. 14 crores whereas the WS scheme costs Rs. 9.43 lakh.
- Chatra bus stand has been left incomplete and costs Rs. 3.5 Crore. People are facing difficulties due to long pendency of this project for the last 3 years. Even the basic facilities like ladies toilets are not available. One has to purchase or carry water as there is no water facility.

3. ODISHA

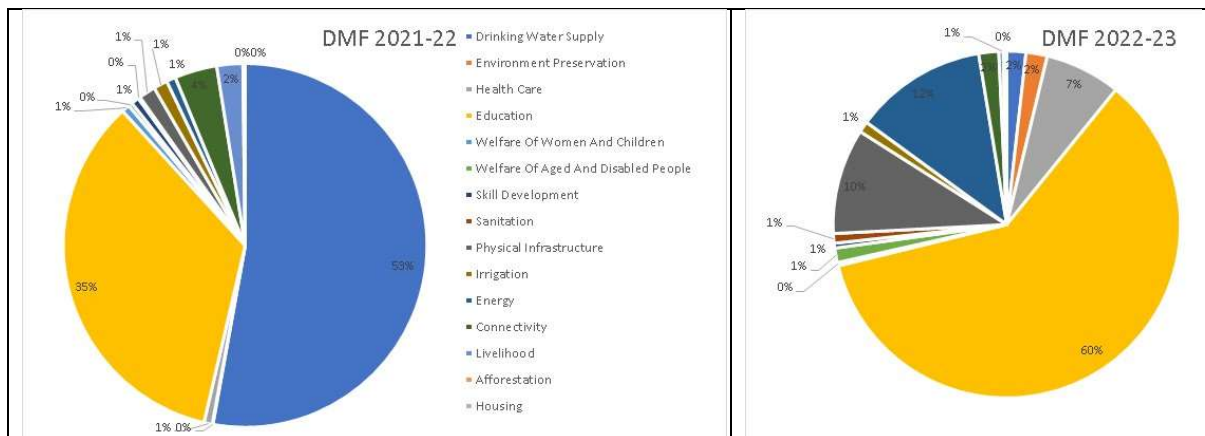
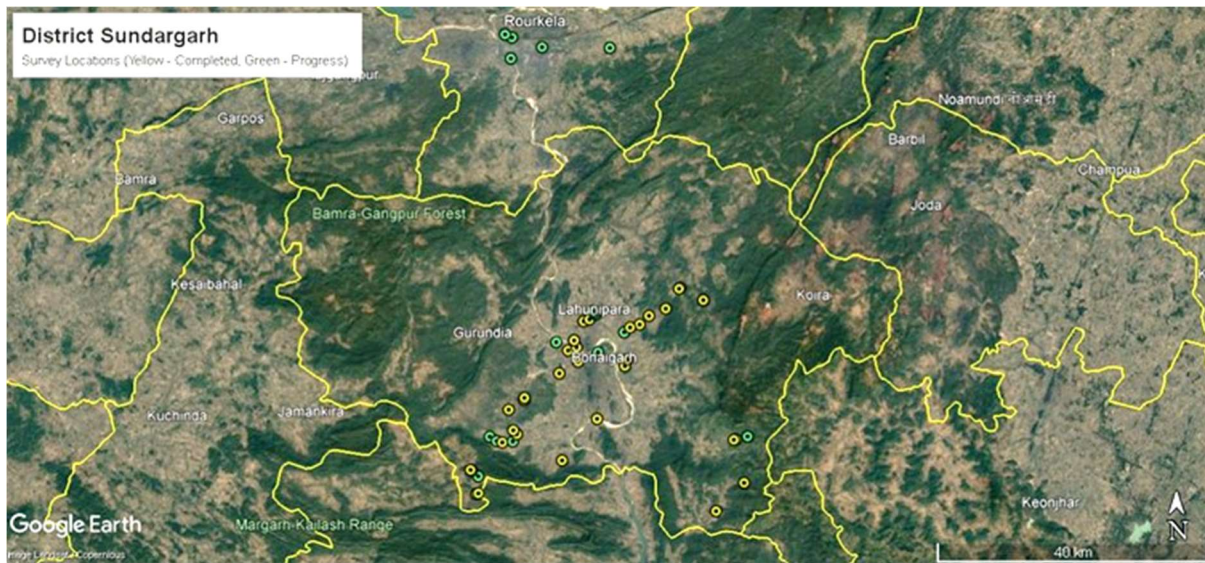


There are two funds for the purpose of welfare of mining affected communities and tribal welfare & area development to promote inclusive growth in mineral bearing areas of the state, DMFT and Odisha Mineral Bearing Areas Development Corporation (OMBADC). DMFT is a district level Trust whereas OMBADC is a section 25 company formed on 02.12.2014 as per directives of the Hon'ble Supreme Court of India. OMBADC is working in the eight mineral bearing districts of the State whereas DMFT was notified on 18.08.2015 in the State of Odisha for both major and minor minerals in all the 30 Districts. The major contribution (72.25% of the total collection under DMFT) to the DMFT has been from the major minerals viz. iron ore, manganese, chromite, bauxite etc. The contribution from operational coal mines is 21.27% thereby indicating a miniscule contribution from minor minerals. Odisha has allocated 97% of its fund collected under DMFT for 27891 sanctioned projects, among these sanctioned projects 578 schemes/projects have been scrapped.

i. OVERVIEW OF SUNDARGARH, ODISHA

Sundargarh is a fully Schedule V district with more than 50% of the population share of tribal population or Scheduled Tribes. The district is rich in iron ore, manganese, fireclay, limestone and other minor minerals – the mineral bearing eastern part of the district forms a contiguous iron ore deposits belt with Keonjhar District. To cater to the peculiar situation in scheduled areas, a provision in the MMDR amendment Act 2015 was also made to make utilisation of DMFT funds in agreement with the provisions of the Schedule V of Indian Constitution (Article 244(1) and laws like PESA and Forest Rights Act 2006. This was done so to ensure the rights enshrined under the constitution as well as under various laws are not curtailed or harmed due to implementation of the projects. The Rourkela steel plant has been a major industrial success but on the other hand it has tendered several generational hardships to the tribal communities. The communities are still struggling to ensure the safeguards provided to them

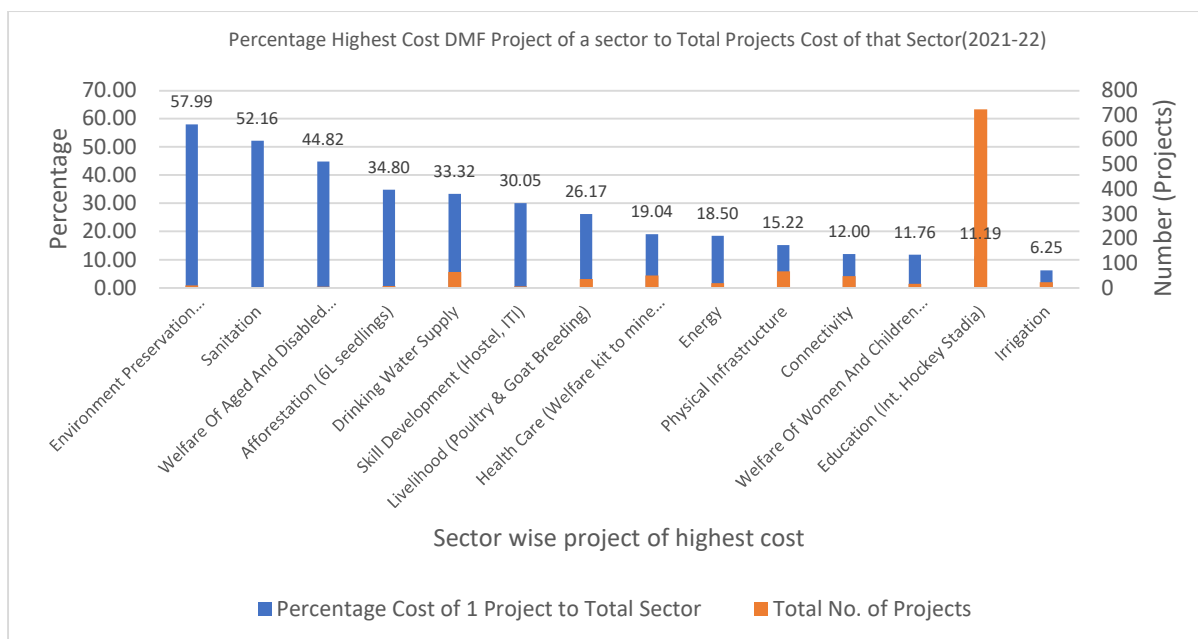
under the laws and Indian Constitution are restored and not further degraded from the stage they are currently at.



Percentage share of sectoral projects, DMFT Sundargarh

No housing project approved as yet in 2022-23

- 90.17% of the funds are spend in the year 2021-22 on high priority sectors with drinking water and education taking a majority share of 88% of the total.
- Odisha has many sectors other than those suggested in the PMKKKY guidelines like Connectivity, Livelihood, and Housing. Rs. 35328 million was sanctioned in the year 2021-22 whereas till July the sanctioned amount is Rs. 8474 million with majority of sanctioned projects in the education sector (60% of the funds and 300 projects of the 503 sanctioned so far).
- 47.77% of the funds allocated in 2021-22 were for projects in multiple blocks – 3 afforestation projects, 4 drinking water supply projects and 1 livelihood project.
- The fund collected in the District till May 2022 is Rs. 48436 million



- Some of the projects which have high percentage share of cost to the total sector are renovation of Champu Talab in Birmitrapur Urban Area (Municipality), 6 lakh seedlings for afforestation in various forest divisions, building construction for skill development, Poultry & Goat breeding in Livelihood sector and the most surprising is the International Hockey Stadium under Education sector.
- **The afforestation project would require monitoring and caring throughout, the model adopted for Sanjivini Van to handover the area to a community member/labour has fetched good results, the same model can be adopted benefiting the forest as well as the communities.**
- Provisioning of welfare kits to mine workers is a good step under Healthcare sector but user review or feedback can only reflect on its utility followed up with occupational health surveillance from time to time.

3. Special provisions for scheduled areas under DMFT Rules

The process to be adopted for utilization of PMKKKY funds in the scheduled areas shall be guided by the provisions contained in Article 244 read with Schedule V and Schedule VI to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.

In respect of villages affected by mining situated within the scheduled areas:

(i) Approval of the Gram Sabha shall be required a) for all plans, programs and projects to be taken up under PMKKKY. b) identification of beneficiaries under the existing guidelines of the Government. (ii) Report on the works undertaken under PMKKKY in the respective village shall be furnished to the Gram Sabha after completion of every financial year.

[Gram Sabha will have same meaning as assigned to it for the purpose of implementation of the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 (Act 40 of 1996)]

- Similarly crèche provision under the women and child welfare sector is a welcome step. Both welfare kit and creche actually are provisioned under respective Acts and Rules. ***Had these benefits provided to workers under the respective rules, this cost could have been invested in other priority sectors to supplement the cause of workers.***

ii. SURVEY FINDINGS

A total of 51 projects were visited, among these 34 are completed and 17 under progress

COMPLETED PROJECTS

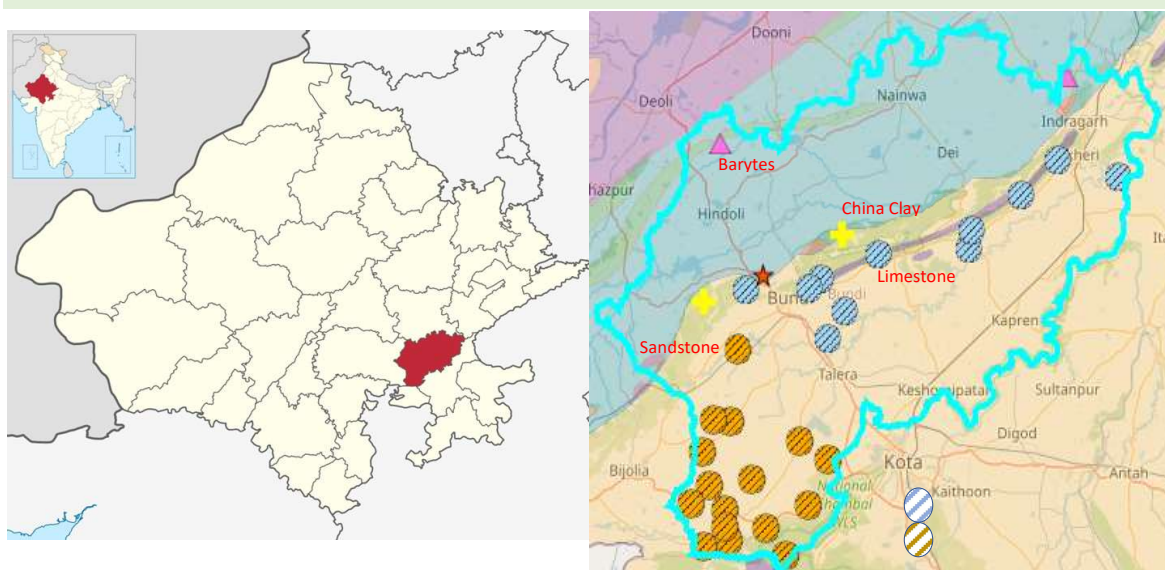
- 3-4 projects could not be ascertained whether these are funded by DMF or not. Overall 32 projects were visited in 4 blocks of Sundargarh district. Lahunipada and Bonaigarh represent the maximum number of projects visited (13 & 12 respectively).
- Out of the 32 villages, only 6 respondents said all basic services/facilities are available in the village whereas 4 said basic facilities are not available not mentioning any particular facility. Majority of the respondents mentioned drinking water, toilet as the basic facilities not available or are needed immediately. Some also mention Anganwadi, road and electricity as requirements. Two villages viz. Luthurba and Uprada baidapali are close to Srihari Sponge iron plant and Bhaskara steel & Ferro Alloy respectively.
- One project in Drinking water costs Rs. 2375 million which is intended to supply water to 122 villages of Sundargarh District which is being implemented under OMBADC. Most of the physical infrastructure projects are connectivity/road projects.
- Out of the 32 respondents (34 completed projects), 9 said they are not getting benefits but 8 out of the 9 were not satisfied with the quality of the project and majority termed the quality as average.
- 23 respondents (out of 32 responses) said they are availing benefits from the project. But in terms of quality, only 4 said they were satisfied with the quality and rest 19 were not satisfied with quality. Majority terming the quality as average.
- It is pertinent to note that long lasting assets and participation of the community during planning process leads to better infrastructure. Majority of the respondents, when asked about public participation in the project, said no such process was followed. Out of the 23 projects delivering benefits, 16 were completed between 2020-2022.
- Respondents picked their quality variable responses (Bad, Very Bad, Average, Good, Very Good) and provided reasons for their dissatisfaction with quality. It implies that a little more effort in the quality and engaging people before execution and during planning process may result in better project delivery.

IN PROGRESS PROJECTS

- 4 out of the total 17 projects under progress are in the town area.

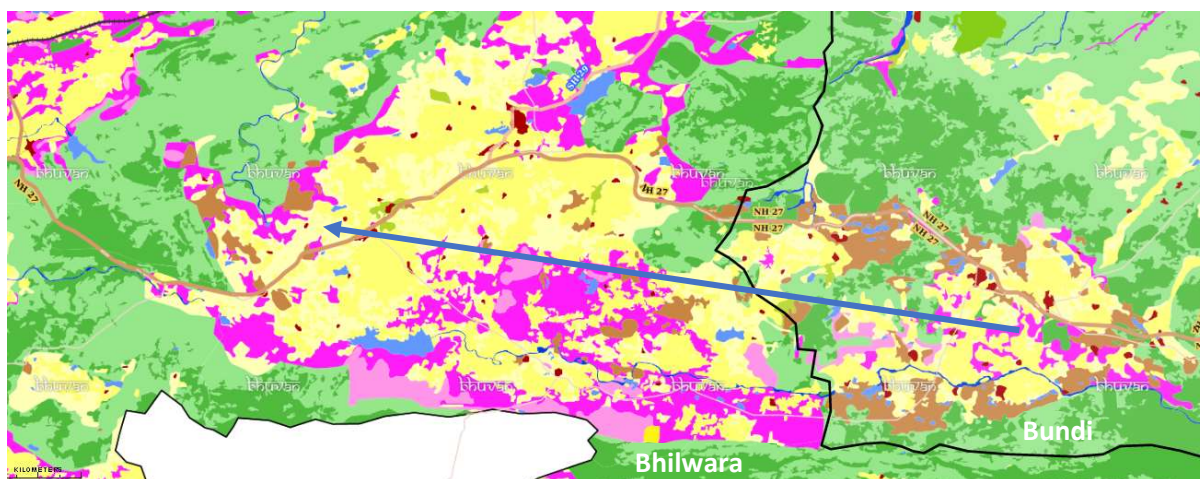
- Out of the 17 projects in villages, almost 50% said basic facilities/amenities are not available in the village. Drinking water and sanitation remained the most missing services.
- The International Hockey Stadium built at a cost of Rs. 1368.25 million is surprisingly funded under high priority sector (education) by the DMFT. ***This project alone is 11% of the total spending on education sector for 2021-22. This is straightaway deceiving the purpose of DMF. One private school (GN Khalsa) is being built with the DMFT fund.***
- The land where construction of Truck Terminal/Parking Near Tarkera (Rourkela) Grid Left Side Of NH-143 originally belongs to displaced Persons of Tarkera. Their legal heirs cultivated over this land and now the truck terminal is being constructed.

4. RAJASTHAN



Maps (L-R) showing location of Bundi in Rajasthan and presence of Minerals in Bundi District

Bundi district is rich in sandstone mines and other minor minerals like limestone, bajri, dimension stone which are cluster mines. Bundi has 184 Panchayats and 873 villages and 6 towns in a geographical area of 5776 square kilometers. There are 709 mines in the District and their major concentration is in the SE part adjoining District Bhilwara. The map below shows contiguous mining from Bundi to Bhilwara. The mining area as per Bhuvan portal²² is 31.39 square kilometers. **Rajasthan is the only state which has included occupational health victims (Silicosis) as beneficiaries under the 'beneficiary' definition in the DMT Rules 2016.** These mines are small mines and tend to cause lung related ailments which are life threatening and cause permanent disability and even death. There are 575 such cases registered in Bundi.



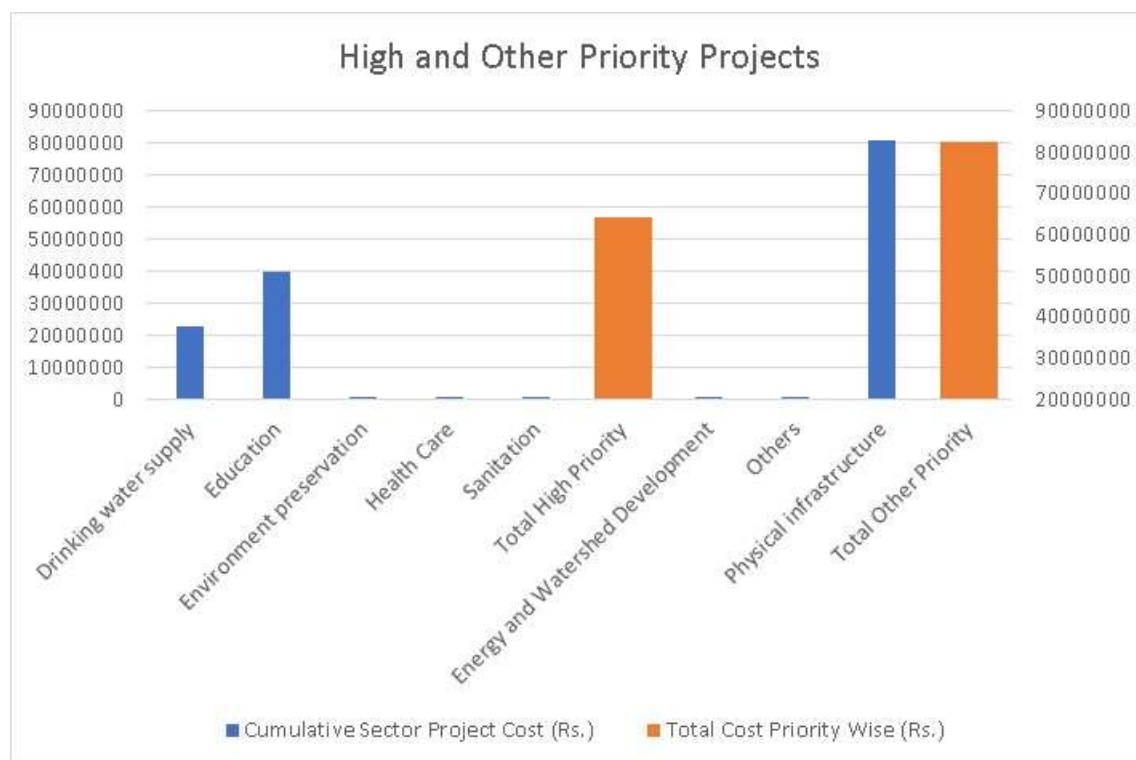
Map showing clustered mines in Bundi District (brown colour)

DMFT has been formed in all the 33 districts of Rajasthan. The state notified DMFTs on 31.05.2016 for both major and minor minerals. Among all states, Rajasthan has large number of minor mineral quarries and thus its contribution is the highest in the minor mineral

²² <https://bhuvan-app1.nrsc.gov.in/thematic/thematic/index.php>

category amongst all state. Bundi has a collection of Rs. 23.68 Crore in the DMFT. The total collection in DMFT at the state level as of June 2022 is Rs. 6758.54 Crore. The number of projects sanctioned under DMFT are 27,891.

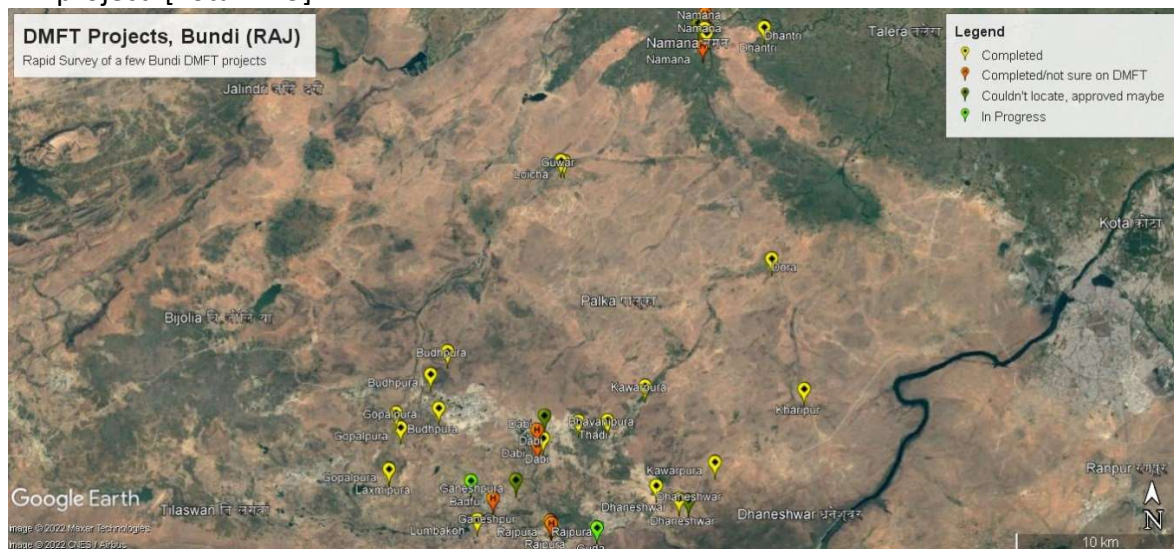
There are 203 DMFT projects listed in the state portal. 83 high priority projects of total value Rs. 64.09 million and 120 other priority projects of total value Rs. 82.36 million are either administratively approved, sanctioned, completed or in progress. As per list available in the website, other priority sectors total project cost is 56.23%, much above the limit of 40% of such projects as per PMKKKY guidelines. Among high priority sectors education and drinking water supply are in focus whereas in other priority sector physical infrastructure takes a big leap at Rs 81.07 million (98.43% of other priority). The total contribution to DMFT from 709 leases in the district stands at Rs.236.88 million.



i. SURVEY FINDINGS

- In Bundi no list of areas or people directly or indirectly affected by mining and list of beneficiaries is available in the public domain. Neither people are aware about any survey or consultation on developing the projects nor there is a list of beneficiaries under various welfare programs.
- 7 projects in Bundi block and 19 projects in Talera block of Bundi district were surveyed. Apart from these 26 completed projects, 9 additional were also surveyed but it could not be ascertained whether these projects are developed with DMFT funds or other state scheme. So that total number of completed projects surveyed were 35. Three in progress projects were surveyed in Talera block
- Among the 12 projects surveyed in approved projects category only 4 could be identified and thus the rest 9 have been left out of the analysis. In all 33 identified projects were analysed.

- Out of the 19 responses where people did not know about the DMF project, 3 were those who chose not to answer about basic services available in the village, 7 agreed that basic facilities were available in the village but did not know about DMF and 9 responses gave specific lack of services in the village but did not know about DMF project. [Total – 19].



Locations of Surveyed Projects

- The remaining 7 responses knew about DMF project but 2 among these did not answer about basic services in village, 5 were happy with the services in the village. Only 5 among 26 chose to not answer about basic services and 21 responded. It shows that people will prioritise services in the villages if given a chance to participate or respond to a project before its inception.
- For in progress projects (2) no response was received on basic services.
- Among the 26 completed projects, 25 said they have been getting benefits. However, the projects were not up to the mark and there were service and quality issues related to it.
- The broad ranking is based on the field observations and dialogue with respondent. Out of 25 responses, 16 pertain to basic services of Drinking water and Sanitation. 13 out of these 16 are satisfied with quality but still ranks vary (1 being bad and 5 being good) due to lack of component integrity in the project. For example, in most of the sanitation projects, water is not provided for the toilet which is a huge dissatisfaction observed, at some place's maintenance issues are prominent and in one case location of the facility. In a project that entails construction of classroom, the rank is poor (1) due to the fact that there is shortage of water.
- Almost 66.33% of the completed projects do not have boards stating contribution by DMFT and the annual O&M schedule which is critical for the projects.
- In 24 of the 26 responses received in this category, respondents highlighted that there was no consultation about the project.
- In terms of in progress projects, Classroom construction in Badfu, Ganeshpura Panchayat in Talera block is inordinately delayed.
 - This school in Guda, Rajpura Panchayat, Talera block started in 2020 is left incomplete due to less budget provision and change of contractor.

- This school of Badfu in Ganeshpura Panchayat of Talera Block is awaiting completion from last 4 years. The existing structure of the school has problems during rains, the water leaks from the roof.
- A computer, printer and RO is sanctioned for Dabi village in the education sector which is still not provided, there is no information with the Hostel staff.
- Only 3 projects are in the health sector and it seems a neglected high priority area. A Labour room repair under the health sector in Dhaneshwar is sanctioned as per list but it is not yet built.
- A water tank built at a cost of Rs. 3 lakhs, is defunct as the bore doesn't have water. This project in Guwar, Loicha Panchayat in Bundi is lying defunct. People also complain about small size of water tank as the money spent is not justified.

5. Recommendations

PMKKKY Order strongly advocates devoting special care and attention in an organised and structured manner towards vulnerable and affected communities in mining districts, especially Scheduled tribes to improve the living standard of affected communities and areas. Objective (b) and (c) of the PMKKKY talk about minimizing / mitigating adverse impacts, during and after mining, on the environment, health and socio-economics of people in mining districts and to ensure long-term sustainable livelihoods for the affected people in mining areas.

These two objectives complement each other as they try to link on going or existing mining (extracting minerals/operational) and post mining phase (mine closure). These two phases have direct interference with environment, health, socio-economics and a long-term strategy is required for sustaining livelihoods of affected communities. Objective (a) is about implementing welfare schemes complementing existing schemes of State as well as Central Government.

The disconnect between PMKKKY guidelines and DMFT operations in mining affected districts is clearly visible in the field survey and as well as reflected in the orders issued by Ministry of Mines from time to time to strengthen the process. First and foremost, a clear instruction to States about special purpose fund and its features is required viz. non-lapsing fund or accumulative fund; coherence between utilising state budget and special purpose funds like DMFT, pre-requisites for utilisation of funds like earmarking affected areas-listing affected communities/villages, priority fixation by affected communities with participation and activities required both in existing mining operations and which are on the verge of closure or ongoing mine closure. This will help prepare a planning document including the eight important points of enhancing transparency before any large sum of money is spent. The most vulnerable identified by the Gram Sabha and the DMFT shall be supported immediately as part of the immediate plan which can form part of the larger perspective plan. The order dated 24.06.2022 for preparation of five-year perspective plan for implementation of works must assign these pre-requisites in the preparation of plan.

DMFT fund is a non-lapsable fund thereby providing a continuous stream of funds a state can have over a period of mine's life to improve the standard of living of the affected. The transition period (a period while preparing the perspective plan) should invest time and resources as per respective rules in completing the pre-requisites to make the plan for achieving the three objectives of PMKKKY.

Tapping the DMFT fund till then should be restrained and reserved – Odisha finance department's order to tap DMFT fund over the State budget is an example. A positive step seen in case of Odisha is a one-page due diligence form which enquires about need of fund from DMFT, State and Central resources and whom it will benefit and how? This screening is a good step at first place once a perspective plan is prepared but its working since the time of DMFT formation in Odisha is not known. It could have also adhered to or provided guidance and monitoring tool for Objective 1 of the PMKKKY. Something similar is the need of the hour.

DMFT as an off budgetary or extra budgetary provision in the overall state budget requires upfront mention in each such scheme where DMFT fund component is involved.

The state Regional Remote Sensing Centres would be a good resource in coordination of Mines Department to map out existing, forthcoming and those leases which are on the verge of closure. This will help states to earmark areas spatially as well as based on vulnerability of population in certain pockets within the earmarked areas and immediate vicinity. Gram sabha's should be allowed to assist in identification of affected. The perspective plan should address frequent updation of areas and beneficiaries list.

The impression from the survey indicates, there is lack of awareness among communities about the special purpose fund and objectives to address the problems associated with environment, socio-economic aspects, livelihoods etc. Since same line departments are implementing the projects, a clear depiction of DMFT purpose is required at Panchayati Raj Institutions and its tiers which are closer to the population. This would help shape the prioritisation of activities in the perspective plan.

Many schemes or projects implemented are not directly linked to affected area or communities like the multi-purpose parking in Korba or the International Hockey stadium in Sundargarh, Odisha. There are many more like these. These are capital intensive projects and are a result of misconception and outside the scope of PMKKY and the DMFT. Large spends which are outside the objectives of PMKKY should be replenished into the special purpose fund to make up for the misplaced expenditure. This will not only build trust but lead to thoughtful future planning.

A standard operating procedure (SOP) be brought out by the Central Government to help plan in terms of creating a repository of schemes funded by State and Centre and to use DMFT funds only when the list of affected areas, communities/beneficiaries is vetted by state and local governance units.

As the study reveals, the States have no particular framework of information as required under clause 5 of PMKKY guidelines. There is array of district websites with no information published in public domain and few publish details partially. Nowhere affected/beneficiary list is available. If a DMFT is formed and is operational, there is no reason why this Structured information cannot be placed on the district websites. If operational, this will boost the preparation of perspective plan with wider outreach.

Many of the DMFTs are operational from the District Headquarters or the Collectorate complexes. There is no notification about a nodal officer who is responsible for putting out details as required under Section 4 of the RTI Act. In some districts there are PMUs appointed by the administration and in many places the district administration itself is at the forefront. To avoid confusion for access to information, a list of Public Information Officers, Appellate Authority should be brought out for compliance with transparency.