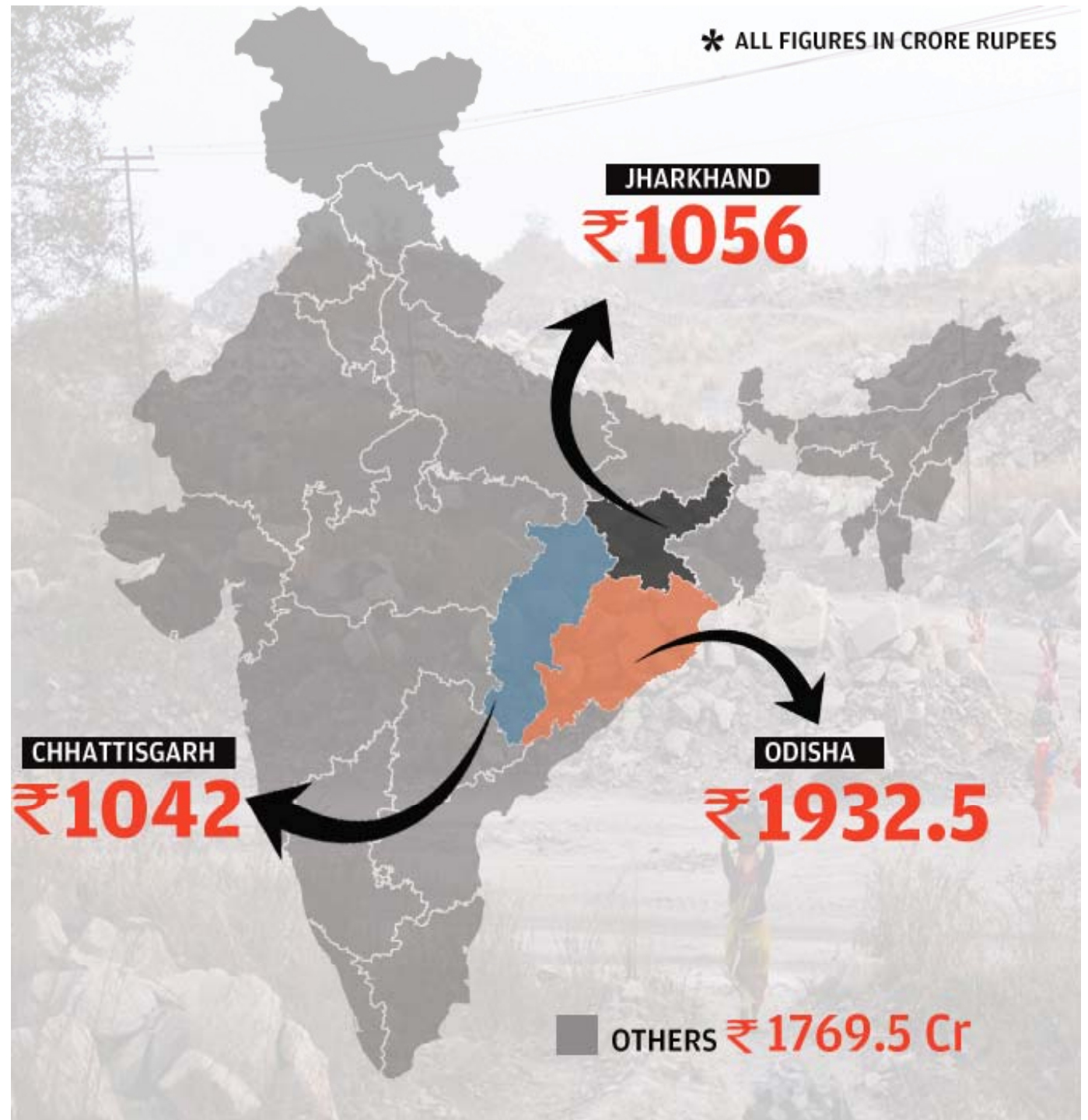




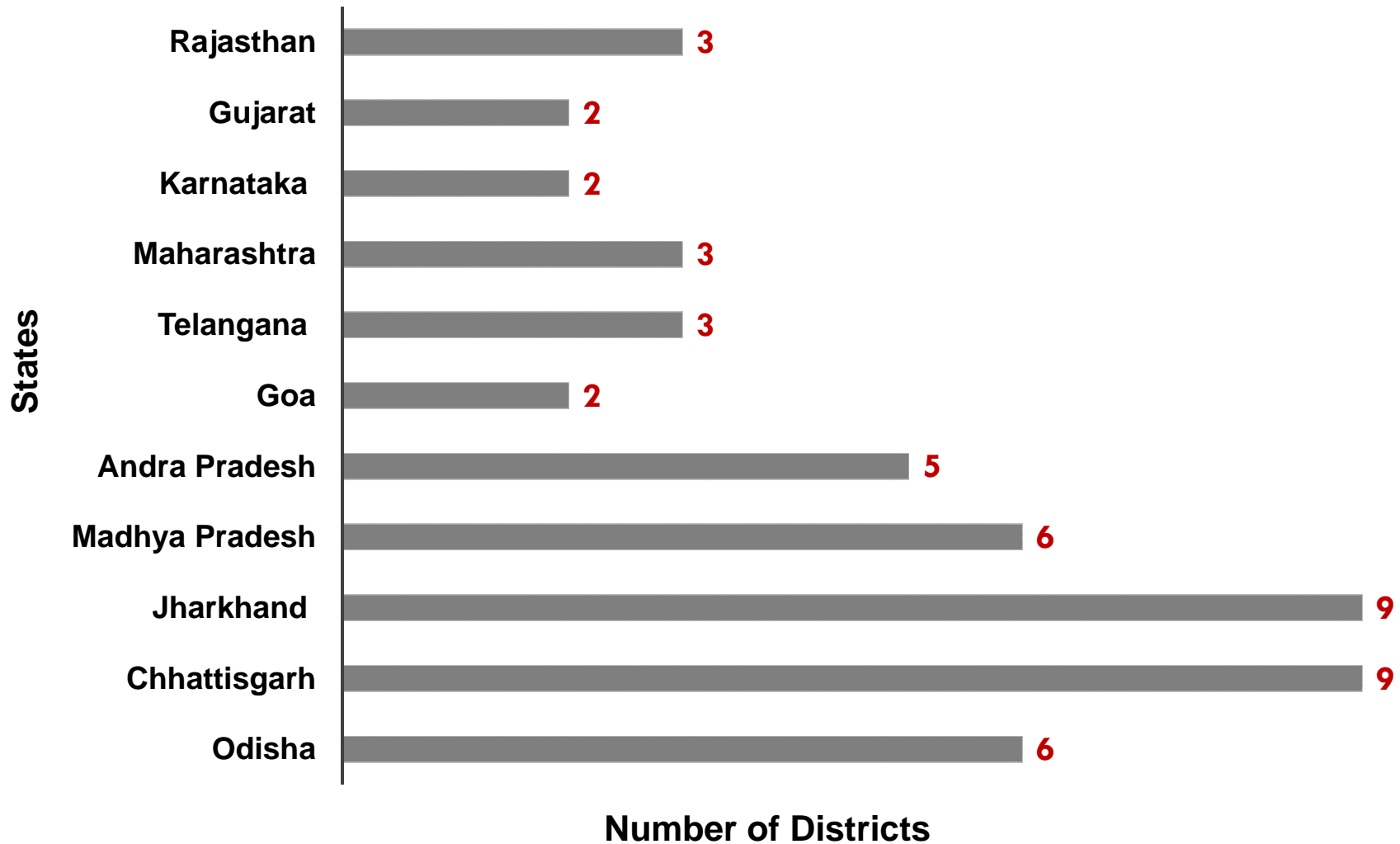
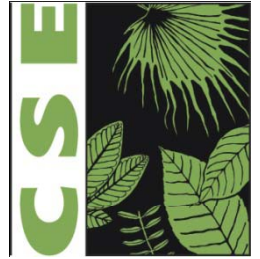
**2 years, Rs. 5800 crore**  
***Are DMFs serving the need of mining-affected people?***

Share of DMF funds in top 3 mining states  
**70%**

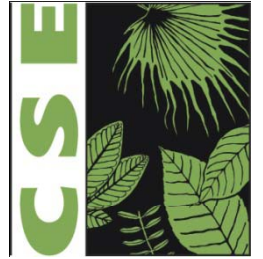


# CSE survey

## 50 districts in 11 states

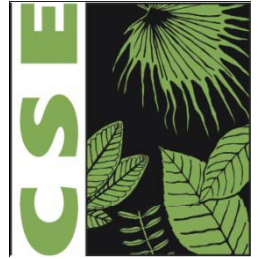


# Survey focus



- Implementation of DMF provisions across top mining districts of India as related to-
  - **Financial accruals.**
  - **Institutional arrangements.**
  - **Planning and budget allocations.**
  
- Identify gaps/shortcomings.
  
- Consider the next steps.

# Key considerations in analysis



## Institutional arrangements

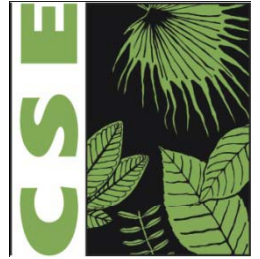
- Administrative set-up (members of the DMF Trust, DMF office etc.)
- Registration of DMF Trust
- DMF website

## Planning and allocation

- Focus on critical/ priority issues in mining affected areas
- Are allocations enough
- Are affected people appropriately targeted
- Whether planning has short-term focus or long-term considerations

# Observations

## Financial accruals

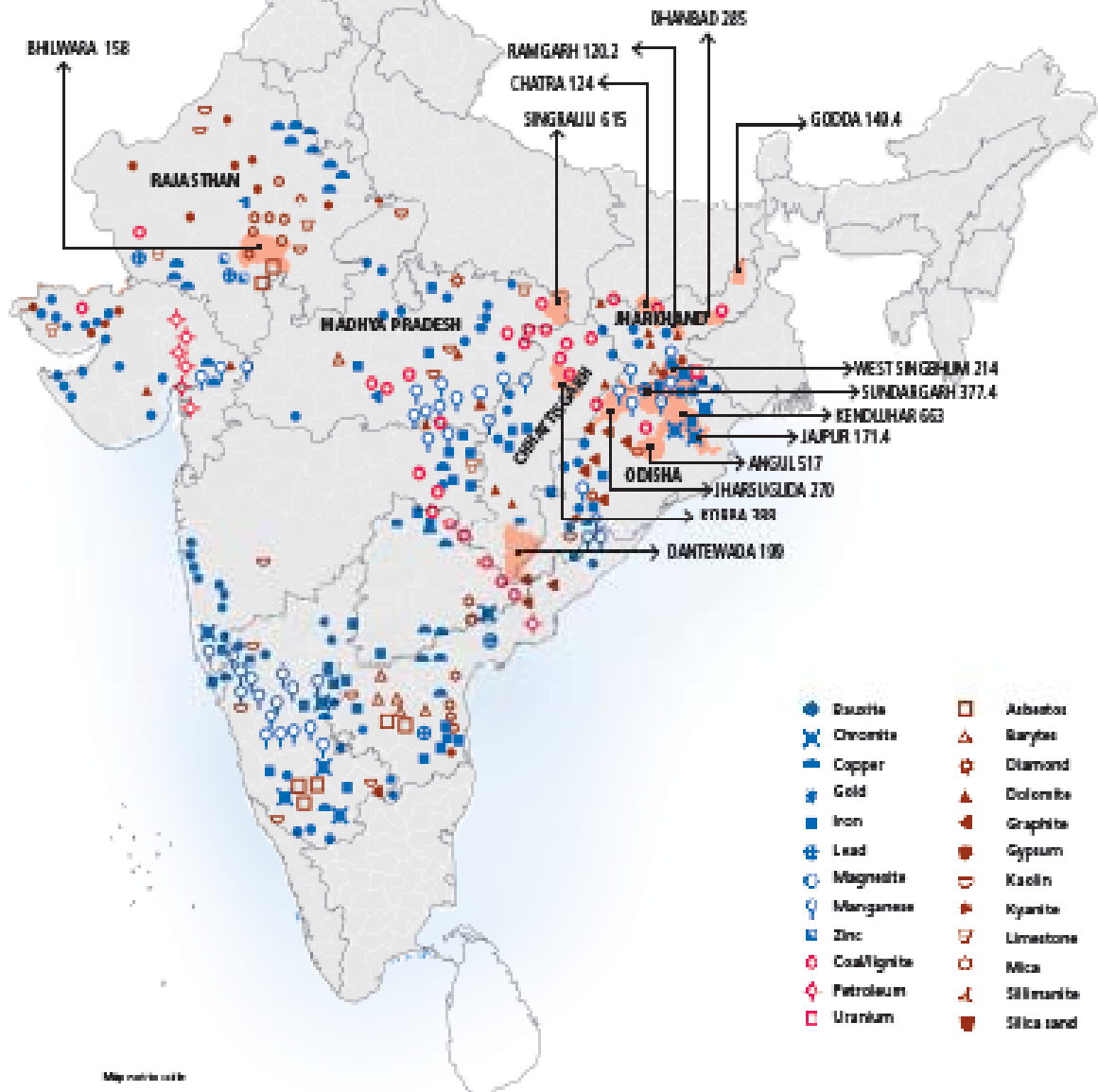


- **Total funds accrued in the DMF accounts of 50 top mining districts surveyed - Rs. 5,469 crore**
- **Coal mining districts have typically higher accruals followed by iron ore districts.**
- **Low collection still in many districts of Telangana, Maharashtra.**
- **DMFs yet to roll out in Uttar Pradesh, Tamil Nadu; Rules only framed in May 2017.**



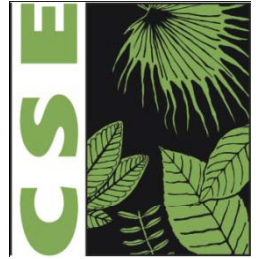
## The big gainers

Mining districts whose DMF accrual exceeds Rs. 100 crore



# Observations

## Institutional arrangements

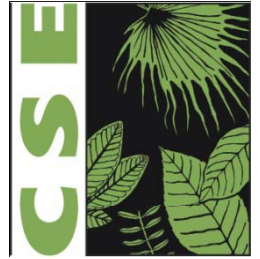


### □ Administrative Setup - DMF body and office

- Governing Council and Managing Committee is in place in all districts where DMFs have been set up.
- However there is **little or no people's representation and participation.**
- **No DMF office has been setup** for planning, coordination and monitoring; **districts are operating in an *ad hoc* manner with only intermittent meetings of DMF body.** 20 districts indicated that the process is in progress.
- **In Odisha, districts with more than Rs. 100 crore annual receipts in DMFs directed to setup Project Management Units (PMUs).** Tenders floated by all, district inclined to award the job to **private consultants** (*Ernest & Young in Kendujhar, Mumbai-based Choice Consultancy Pvt. Ltd. in Sundargarh*).
- **Jharkhand and Chhattisgarh are considering a more measured approach-** combination of officials, technical and subject experts for DMF offices.



# Planning approach



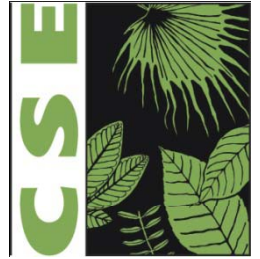
## □ DMF Trust registration

- **27 districts** out of 50 surveyed have registered DMF Trusts.
- All districts in Jharkhand and Chhattisgarh have registered. **No districts in Odisha have registered yet, but sanctioning of projects has started.**
- **Different justifications by districts for not registering-**
  - **Odisha has no clarity**, currently state Planning and Convergence department is consulting state law department.
  - In Rajasthan no districts have registered under the pretext that setting up of DMF Trust has been '**notified**' by the state government – *the state government hereby establish Trusts in all the districts of the state called as DMFT.....*
- Districts are registering under various laws in absence of a pan India public Trust law. Most common one is the Indian Trusts Act (1882).

## □ Public disclosure of information - DMF website

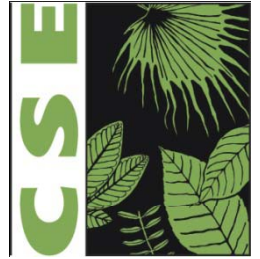
- **No proper website yet.** Chhattisgarh, Odisha, Madhya Pradesh, Jharkhand have state level websites, but **available information is very limited.**

# Planning approach



- **Planning is top down rather than bottom up in all districts.**
- **Particular intervention by state governments in Chhattisgarh and Jharkhand:**
  - **Chhattisgarh government direction has two emphasis:**
    - Directions for spending money in mining affected areas.
    - Using DMF funds for regional development- sharing of funds with adjoining districts; use for gap-filling in building of railway corridors.
  - **Jharkhand government has emphasized on two issues:**
    - Clean drinking water supply and sanitation (making districts open defecation free).
- **Madhya Pradesh has created provision of State Mineral Fund under DMF Rules, SMF under the aegis of finance department**
  - Districts with annual accrual of Rs 5-25 crore transfers 25% to SMF; for above Rs 25 crore transfers 50 per cent to SMF. Loosely mentions the fund is to carry out works related to development in mining-affected areas

# Planning and allocation



- No plan as such developed, most districts **mechanically list sector specific allocations** and works to be done.
- Districts have allocated money for some “high priority areas” as specified in state DMF Rules. Common issues are drinking water, education, healthcare. **Allocations and approaches widely vary.**
- **Significant allocations also for infrastructure such as roads** in many districts (except for in Jharkhand); 63% in Singrauli, 39% in Sundargarh, 28.3% in Korba.
- For other sectors too, allocations are heavily construction oriented.

# Allocation and approaches



## Drinking water

District	Status in district	% of DMF budget allocated	Main proposed works
Dhanbad	7% of rural households get treated tap water, <b>ground water contamination high (CGWB)</b>	62.5	94% for piped water supply
Kendujhar	3% of rural households get treated tap water, <b>ground water contamination high</b>	33.3	85% for construction of tube-wells
Singrauli	<b>Less than 1%</b> of rural households get treated tap water, <b>ground water contamination high</b>	0.9	100% for construction of tube-wells

# Allocation trends and approaches

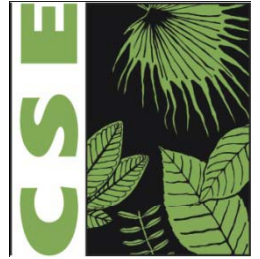


## Healthcare

District	Status in district	% of DMF budget allocated	Main proposed works
<b>Korba</b>	Poor primary healthcare, do not have minimum staff, resources in rural health facilities as per IPHS*, high prevalence of acute respiratory illnesses.	<b>Negligible, 0.84</b>	<b>94%</b> for constructing facilities such as operation theatres, renovating delivery wards etc
<b>Kendujhar</b>	Primary healthcare extremely poor in rural and tribal areas, <b>1 sub-centre for about 4400 people</b> . Minimum IPHS requirement- 1 per 3000 people	<b>16</b>	<b>92%</b> for a constructing a medical college in Kendujhar town, no focus on rural health
<b>Dantewada</b>	Poor primary healthcare, do not have the minimum staff, resources in rural health facilities as per IPHS	<b>9.4</b>	<b><u>70% for up-gradation of primary healthcare facilities- CHCs, PHCs, sub-centres, also for district hospital resources.</u></b>

*\*None of the Chhattisgarh districts in fact fulfill the requirements*

# Allocation trends and approaches



## Education

District	Status in district	% of DMF budget allocated	Main proposed works
Kendujhar	25% of the primary schools do not have adequate teachers as per Right to Education. Only 7% of schools have electricity.	7.6	100% for construction of additional class rooms
Korba	23% of the primary schools do not have adequate teachers, significant dropouts- 15% in 5 <sup>th</sup> grade	19.9	89% for construction - mini stadiums, planetariums, sports complexes, school buildings, hostels
Dantewada	Low literacy- 41%, combined with high dropout rates- 18% in 5 <sup>th</sup> grade and 12% in 8 <sup>th</sup> grade	19	<u>More than 20% for addressing issues as deficit in teaching staff, employing locals for teaching in tribal languages.</u> Rest 80% for up-gradation of schools, hostels etc.

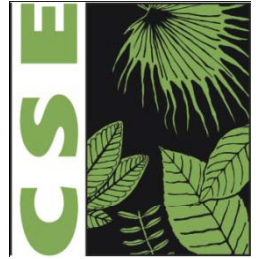
# Allocation trends and approaches



## Skill Development and Livelihood

District	Status in district	% of DMF budget allocated	Main proposed works
Raigarh	54% of the population is unemployed	11.2	92% for construction of motor driving school
Jharsuguda	57% of the population is unemployed	4	61% for improvement of un-utilized low lying land for development of fisheries based livelihoods
Dantewada	46% of the population is unemployed	18.5 (agriculture) 1 (skill development)	55.5% for promotion of organic farming, farmers' producer's organization construction of warehouse

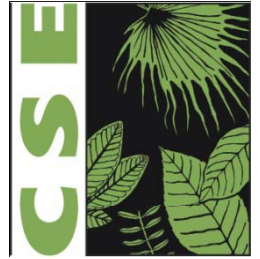
# Key issues that are neglected



- **Primary healthcare-** Most districts lack focus on
  - Improving health resources at the first point of contact.
  - Improving support for better healthcare access for the poor and vulnerable, such as providing health insurance.
  
- **Welfare of vulnerable groups such as women and children, aged and disabled people-**
  - Where ever, funds have been earmarked, it is construction oriented, mainly of Anganwadi Centres.
  - No consideration for addressing the pressing issues for child nutrition such as bridging up nutrition gaps that ICDS has not been able to meet, provide improved health monitoring services, improve nutrition education among mothers.
  - Little of no consideration for improving financial security of women.



# Key issues that are neglected



- **Viable livelihood opportunities around local resources and skills-** Little consideration in most districts. For example:
  - No mention of forest produce/product based livelihoods, while most mining districts have forest resources.
  - No focus on agriculture or horticulture based livelihoods (except some in Dantewada and Korba)
  - No support for small businesses, marketing of local products etc.
  
- **Consideration of future security -**
  - No districts have set aside any amount as an endowment fund that the PMKKKY guidelines speak of.