



## **Minutes of the multi stakeholder regional meeting on District Mineral Foundation**

**Date:** July 28, 2017

**Venue:** Hotel Kalinga Ashok, Bhubaneswar, Odisha

**Organised by:** Centre for Science and Environment (CSE)

Centre for Science and Environment (CSE) organized a multi stakeholder meeting in Bhubaneswar Odisha, to review the implementation of status of District Mineral Foundations (DMF) in key mining districts of India, with a specific focus on Odisha, and discuss strategies to maximize the potential of DMFs.

The meeting was attended by the Additional Secretary of the state Planning and Convergence department (the department entrusted with DMF implementation including planning and monitoring) along with other officials of the department, the District Magistrate of Jharsuguda, Project Director of District Rural Development Agency of Angul district, representatives of Sundargarh Project Management Unit (PMU) of DMF and many important civil society organizations/ members working on various socio-economic and human development issues in the mining affected districts. (*See Annexure I for complete list of participants*). District Magistrate, Jajpur could not attend at the last minute due to flood emergency in the district.

### **Overview of deliberations**

#### **Session I: District Mineral Foundation: Implementation Status and the Road Ahead**

The meeting started with a presentation by Shri Chandra Bhushan, Deputy Director General, CSE, on implementation status of DMFs and the road ahead (*Presentation can be accessed from <http://cseindia.org/userfiles/DMF-status-India-overview-odisha-way-ahead.pdf>*).

#### **Some of the key issues that the presentation highlighted include:**

- The unique vision and opportunities that DMFs have as opposed to any other development funds for addressing socio-economic, human development and environmental issues in India's mining-affected areas.
- The current status of DMF implementation in various key mining districts - 50 districts across 11 states – as related to financial accruals, institutional set-ups, planning focus and allocation trends. The observations were presented based on CSE's latest report on DMF – **District Mineral Foundation Status Report, 2017**- which reviewed such issues based on surveys conducted in all these districts, information as available in public domain and ground level observations by CSE team (*The report can be accessed from <http://www.cseindia.org/userfiles/District-Mineral-Foundation-DMF-Report.pdf>*).

- Review of implementation status in **6 mining districts of Odisha**, viz. Kendujhar, Sundargarh, Jharsuguda, Angul, Jajpur and Koraput, with specific examples of allocations particularly in the first three districts. The key observations that were noted specifically with respect to Odisha are as follows:
  - a. DMF Trusts have not yet been registered, discussions ongoing;
  - b. Governing Council (GC) and Managing Committee (MC) has poor representation of members from affected communities;
  - c. No mechanism and practice so far in place to ensure bottom-up planning;
  - d. No DMF offices, Project Management Units (PMUs) have been set-up in 2 districts; however, PMUs are stop gap arrangements and cannot substitute for a permanent office for planning and co-ordination;
  - e. Investments ad hoc without any planning method adopted, also divulges from the letter and spirit of DMF and PMKKKY;
  - f. Various issues need to be considered and resolved to make DMFs effective.
- As next steps to make DMFs effective for mining-affected people, Shri Chandra Bhushan emphasized on some key factors. These include:
  - a. Putting in place appropriate institutional and administrative mechanisms such as registering DMF Trusts, setting up DMF offices with nodal officials and experts;
  - b. Ensuring transparency and accountability, putting information in public-domain through DMF websites;
  - c. Undertaking appropriate planning approaches such as bottom-up and scientific methods to identify factors of intervention, focussing investments on human capital and soft resources of delivery rather and not physical capital;
  - d. Undertaking comprehensive and perspective planning;
  - e. Considering mechanisms of convergence and integration with other plans and programs as necessary;
  - f. Building capacity of Gram Sabhas for participation in planning and decision-making;
  - g. Creating awareness among people in mining-affected areas on DMFs, through appropriate sensitization programs, materials, trainings/meetings.

**Some key issues that were highlighted by participants during discussions following the presentation are as follows:**

- Shri P.K. Biswal, Additional Secretary of the state Planning and Convergence department brought up the issues of DMF Trust registration under the Indian Trust Act (1882), as it relates to public Trust. Also it will attract tax liability under the Income Tax Act, which according to him will be a loss for every district DMF exchequer. Inputs were sought on an appropriate mechanism of registration of DMF Trust and also exempting DMFs from tax liability, to maximize the benefit delivery through the funds.
- Shri Bibhuti Bhusan Pattnaik, District Magistrate of Jharsuguda, considered that some amount of DMF money has to be used for infrastructure projects under high priority issues. However, it was also recognized that building infrastructure must be complemented by resources to ensure delivery of services. Convergence mechanism is an important way to do this.
- On part of Civil Society Organizations some key aspects were highlighted-
  - **Health infrastructure:** Shri Biplab Mishra of Prakalpa, Kendujhar district, indicated the work being done by DMF funds for which state money can be used for. Issue highlighted particularly was infrastructure for a medical college

in Kendujhar. Others from the district, such as Duskar Barik of KIRDTI, also noted the poor status of primary healthcare in the district. For people in Kendujhar, a medical college is a secondary concern for a district lacking primary healthcare infrastructure and resources.

Shri Dilip Kumar, Mohanty of DISHA, Sundargarh district, highlighted the acute shortage of nursing and paramedics in health facilities. DMF money can be a huge resource to ensure this.

- **Child nutrition and development:** Bijayani Mohanty of Society for Promoting Rural Education and Development (SPREAD), Koraput district, emphasized on the lack of resources in Anganwadi Centres such as drinking water and sanitation facilities. In absence of these the anganwadi infrastructures are practically useless and children are not sent.

## **Session II: Observations on DMF Implementation: Intervention focus, planning approaches and institutional factors**

In this session observations on DMF implementation were obtained from key officials and eminent civil society members, including-

- Shri P.K. Biswal, Additional Secretary, Planning and Convergence Department, Govt. of Odisha
- Shri Bibhuti Bhusan Pattnaik, District Magistrate & Collector, Jharsuguda
- Shri Saroj Mahapatra, Integrator, Pradan
- Dilip Samal, Executive Director, Odisha Voluntary Health Association
- A.K. Champatiray, Project Director, District Rural Development Agency (PD, DRDA), Angul.
- Samir Kumar Patel, Project Management Unit (PMU), Sundargarh

### **Shri P.K. Biswal highlighted 5 key points, which include-**

- a. **Knowledge and capacity building:** There is not sufficient knowledge on DMFs. This must be improved among district level officials, as well as people in mining-affected areas. Conducting trainings of officials on DMF implementation was considered necessary.
- b. **Adopting mechanisms of converge in DMF planning:** This is a significant way to improve intervention on various issues. There are many schemes in mining-affected areas whole implementation on poor. State has a resource crunch in many of these. DMFs can be an add-on. For example, the case of model schools was discussed, where now the Centre has given money to improve education in backward blocks. But carrying forward this work suffered from financial constraints.
  - a. Convergence can also happen in ways where DMF funds provide for certain infrastructure development, such as schools for education, and then Government can provide the necessary soft resources such as teaching staff, salary, books etc., scholarships.
- c. **Resolving institutional issues in a time-bound manner:** The Planning and Convergence Department is working towards resolving issues of DMF Trust registration. It was noted that this will be resolved by the end of 2017.
- d. **Accountability mechanisms:** A dual audit mechanism will be adopted by the state government to ensure accountability of DMFs. An audit by chartered accountants (CA) will be done to ensure financial accountability. Additionally a CAG audit will be done to identify deficits in the system.

- e. **PMKKKY guidelines need to be followed:** The districts should prioritize the intervention issues as per PMKKKY guidelines. Investments should also keep in mind mining-affected areas and the deficits there.

**Shri Bibhuti Bhusan Pattnaik highlighted the following key issues-**

- a. Jharsuguda is building on ICDS program for reducing infant and under 5 mortality rates (IMR and U5MR).
- b. The district has allocated DMF funds for the cancer hospital as many people in mining areas suffer from cancer, and has to go to the state capital for treatment. A district hospital can help them in this regard, as well as people from adjoining mining areas, such as from Sundargarh can also come here. However, the cost and affordability of health-care came out as a concern, particularly given the poor employment and income status of mining-affected people. Healthcare insurance scheme was something that the DM agreed to consider.
- c. The district is also considering day care facilities for old people, drug de-addiction centre etc.
- d. The need of convergence in DMF planning is important, particularly given the fact that there are as many as 13 to 14 welfare schemes in the districts whose implementation is extremely poor/ defunct. DMF funds can be crucial to improve intervention.

**Shri Saroj Mahapatra particularly emphasized on issues of planning. These include-**

- a. Planning should be people focussed. The plans must focus on the “fundamental needs” of the people and not invest in “interesting things”.
- b. Five year plans need to be developed considering assets of the mining areas and the district, access to and status of government schemes/programs, and assurance for concerns.
- c. Plans must consider the strengths of 3 things to ensure that investments will be sustainable- people, resources, and institutional capacity.
- d. The capacity of Gram Panchayats/ Gram Sabha representatives must be built to ensure proper bottom-up planning.
- e. DMF do not have to consider building capacity in isolation and should be considered alongside with other planning mechanisms at the local level, on which there is emphasis on. These include the Integrated Participatory Planning Exercise (IPPE) and the Gram Panchayat Development Planning (GPDP). Of the total DMF budget, 2-3% can be used for capacity building of these local level institutions.

**Shri Dilip Samal particularly emphasized on issues of healthcare. These include-**

- a. There is acute shortage of skilled doctors with training in modern medicine (allopathy) in mining areas. There is requirement of more than 12,000 doctors overall to deliver effective health care.
- b. Hiring specialist doctors from DMF money by paying higher salary can be very good idea to address shortage of doctors in the mining-affected districts.
- c. A public-private model can also be considered to improve healthcare intervention.

**Shri A.K. Champatiray informed about the areas that DMF is considering investments in Angul. These include-**

- a. Upgrading medical facilities in mining-affected areas.
- b. Providing clean drinking water and sanitation is a focus of the district.
- c. Improving livelihood opportunities in mining-affected areas.

- d. Considering mechanisms of convergence with other existing plans / schemes in the district.
- e. The district is planning to undertake long-term planning on certain issues.

**Shri. Samir Kumar Patel discussed the role of PMUs-**

- a. The PMUs currently has two main roles- determining the feasibility of proposals that have been obtained/ identified for DMF investments; and monitoring of DMF work.
- b. The responsibilities are still in the inception stage as it has been newly set-up.

As a response to the PMU representative, members of civil society also discussed about the role of PMU and the need of defining PMUs responsibility in a better way. It was observed that PMUs are currently acting as an ad hoc body.

**During the discussion, various civil society representatives also highlighted on some common key points-**

- a. Emphasis on local-resources oriented livelihood.
- b. Providing people skills which will make them employable.
- c. DMF planning should be bottom-up, and people's knowledge on DMF need to be increased. This will also help DMFs to identify and address the basic needs that must be fulfilled.
- d. DMF plans should be outcome oriented, therefore must have long term focus.
- e. A mechanism of social audit should be considered.

**Key action points identified from deliberation**

**Session III: Way ahead for DMFs: Perspectives on opportunities, challenges and necessary action**

From observations and discussions by the various participants, **5 key factors were universally agreed upon that DMFs should consider** serving the mining-affected people effectively, maximizing on the outcome of investments on various issues, and fulfilling the mandates and objectives of the DMF law and the PMKKKY. The 5 factors include-

1. **DMF planning must be people-centric.** The focus should be on building human capital and not physical capital. This will also build future dividend contributing to overall development of mining-affected areas.
2. **Perspective planning must be undertaken** to fulfill immediate as well as long-term needs.
3. **Bottom-up planning should be undertaken.** For this training and capacity building of Gram Sabha representatives, front line workers in mining affected areas, civil society representatives from affected areas should be done as necessary.
4. **Convergence is an important component of DMF planning to maximize the potential of intervention.** Govt. budget is often suboptimal to address various socio-economic and human-development crises in the mining-affected areas. For this appropriate gap analysis must be done of the existing plans/programs/schemes.
5. **Creating viable and sustainable livelihood options** should be prioritized.

## **Annexure 1: List of participants**

### **State government and district officials**

1. P.K. Biswal, Additional Secretary, Planning and Convergence Dept., Govt. of Odisha
2. Bibhuti Bhusan Pattnaik, District Magistrate & Collector, Jharsuguda
3. A.K. Champatiray, Project Director, District Rural Development Agency (PD, DRDA), Angul
4. Samir Kumar Patel, Project Management Unit (PMU), Sundargarh
5. Dharanidhar Das Mohapatra, Deputy Director, Planning and Convergence Dept., Govt. of Odisha
6. Pradyumna Kumar Mahakud, Deputy Secretary, Planning and Convergence Dept., Govt. of Odisha

### **Civil Society Organizations**

1. Duskar Barik, Keonjhar Integrated Rural Development and Training Institute
2. Saroj Mahapatra, Integrator, PRADAN (Chhattisgarh)
3. Kirti Bhusan Pani, Integrator, PRADAN (Odisha)
4. Dolagobinda Panda, Team coordinator, PRADAN (Kendujhar)
5. Gangadhar Panigrahi, Gram Vikas (Kendujhar, Bhubaneswar)
6. Jyotirmayee Mohapatra, People's Cultural Centre, (Kendujhar, Bhubaneswar)
7. Chitta Ranjan Pani, Vasundhara Dilip Kumar, Mohanty, DISHA (Sundargarh)
8. Banshidhar Mahanta, Jan Vikas (Sundargarh)
9. Prasanna Behera, Nature Environment & Wildlife Society (Angul)
10. Dilip Kumar Samal, Odisha Voluntary Health Association (head office in Bhubaneswar)
11. Bijayani Mohanty, Society for Promoting Rural Education and Development (Koraput)
12. Pradeep Mahapatra, Udyama (head office in Bhubaneswar)
13. Sushil Kumar Das, Social Education for Women Awareness (Jharsuguda)
14. Suresh Chandra Bisoyi, Agragamee (Koraput, Rayagada, Kalahandi)
15. Prasanna Venkatakrishnan, UNDP (Keonjhar)
16. Shankar Prasad Pani, lawyer, NGT (Bhubaneswar)
17. Biplab Mishra, Prakalpa, Keonjhar
18. Biren Bhutta, CSR, Tata Steel (Keonjhar)
19. Sudarshan das, Agami

### **Media**

1. Ranjit Mohanty, Samaj
2. Satyasundar Barik, The Hindu
3. Subhranshu Panda, Odisha Story
4. K. Ravi, The Statesman
5. Akshaya Kumar Sahoo, The Asian Age
6. Hemant Kumar Rout, The New Indian Express
7. Naresh Chandra Pattanayak, Dharitri and Times of India
8. Bijay Mishra, DD News