



Concept Note

Consultative Workshop on Implementation of DMF Funds in Eastern India

Organized by

CENTRE FOR RESEARCH AND STUDIES IN LAND, MINING AND REAL ESTATE LAWS

WEST BENGAL NATIONAL UNIVERSITY OF JURIDICAL SCIENCES (WBNUJS)

To be held on 12.11.2022

ABOUT WBNUJS

The West Bengal National University of Juridical Sciences (WBNUJS) is a premier national law university consistently ranked as one of India's top legal educational institutions. It was established under the WBNUJS Act, 1999 (West Bengal Act IX of 1999). It is a university within the meaning of subsection (f) of Section 2 and Section 12-B of the UGC Act, 1956, and has permanent affiliation from the Bar Council of India.

Over the years, NUJS has produced several outstanding lawyers and scholars. With a rich set of faculty and students from diverse backgrounds, drawn from almost all corners of India, the academic community of the law school has made a name for itself in more than one field of law. This establishes an aura of excellence, devotion to the highest standards of academic integrity, and commitment to duty of service to one and all.

The Chief Justice of India is the Chancellor of NUJS and is also the Chairman of the General Council, the supreme policy-making body of the University. Under the current guidance of its Vice-Chancellor, Prof. (Dr.) Nirmal Kanti Chakrabarti, one of the most respected and renowned legal scholars in India and backed by a rich and diverse faculty, the University strives to continue with its history of merit in various domains of law.

For more information, please visit the official website of NUJS at www.nujs.edu.

ABOUT CENTRE FOR STUDIES AND RESEARCH IN LAND, MINING AND REAL ESTATE LAWS:

The Centre for Research and Studies in Land, Mining, and Real Estate Laws ('CRSLMREL') was set up at WBNUJS during the academic year 2019-20. The Centre functions under the leadership and supervision of Dr. M.P. Chengappa [Assistant Professor (Law), NUJS].

Issues related to land acquisition, real estate, and mining laws are fundamental to questions pertaining to environmental law, the efficacy of regulatory regimes, the functioning of the market economy, and social welfare. Therefore, discourse around the land, mining, and real estate laws are critical. Many law firms across the country have dedicated teams, especially for this purpose. The pendency of cases pertaining to these fields shows that land acquisition, real estate related disputes, and mining regulations form a very crucial field in the legal industry. le

CRSLMREL aims to create awareness and guide discourse in the aforementioned fields in academia by conducting studies, consulting with stakeholders, creating resource materials, and conducting capacity-building programs with industry professionals.

For further information, please write to mpchengappa@nujs.edu, or crslmrel@nujs.edu.

BACKGROUND:

District Mineral Foundation (DMF) are non-profit statutory trusts, instituted under the Mines and Minerals (Development and Regulation) Act, 2015 ("MMDR Act"). The object of this trust is to allocate, district-wise, a certain percentage of proceedings from mines towards developmental work in the interest of those living in mining-affected areas. The DMF creates a mechanism for those affected by mining activities to also benefit and be compensated. Miners are expected to contribute ~30% of the royalty amount in case of leases granted before 2015 and ~10% in case of leases granted after 2015. Along with the MMDR Act, the Pradhan Mantri

Khanij Kalyan Yojana (“PMKKKY”) has been instituted in 2015 as a means to guide the functioning of the DMFs. The two-fold goal of the PMKKKY is to implement developmental projects in mining-affected areas using DMF funds and to minimize the harmful effects caused by the entire process on the people as well as the environment. Funds collected in the DMF are earmarked for projects such as supply of drinking water, development of schools and construction of roads. On the basis of these, states have released their own set of rules to create sturdy funds which are non-lapsable and encourage public participation in the fund utilization process.

Such a trust and its participatory nature is also necessary, given that most mining areas in India are located in areas with low resident income levels. While around 80-90% of households in mining areas earn less than 5000 a month, there is also a looming income uncertainty due to the casual nature of their jobs. This corresponds to access to resources and infrastructure, and hence projects undertaken through DMFs are necessitated. According to the Union Ministry of Mines, an estimated Rs. 6000-7000 crore is expected to be annually received by the DMFs across the country, with 571 districts in 21 states having their own DMF mechanisms. The trends seen across states show that some states have successively done better in terms of quantum of contributions received and utilized in proportion to their mining activities as compared to others. For instance, the Keonjhar district of Odisha alone has a collection greater than certain states. Such a disparity is a direct result of the DMF framework being decentralized. In such a situation, a state-specific inquiry needs to be made regarding problems with implementing the DMF mechanism.

Another aspect that has caused DMF funds to recently come to limelight, is the decision of certain state governments to divert DMF funds towards fighting COVID-19. While tackling a pandemic is imperative, but the lurking question is whether funds allotted for a specific purpose can be stifled for some other purpose without adequate procedures being followed for this change. Accordingly, this move has resulted in much debates over the question of the intention of the states behind identifying what the nature of these funds was to be, which prompts for much inquiry about how these funds are being utilized and implemented in general and in this changed circumstance.

In this context, the state of West Bengal has put into force the West Bengal District Mineral Foundation Rules, 2016 and has set up DMFs in 22 out of its 23 districts. West Bengal is one of the major producers of coal and lignite in the country. Despite this statewide presence of DMFs and its position as a producer, studies have found that it has one of the lowest project funding rates (on the basis of total sanctioned project and total amount allocated) on this subject-matter. Understanding the importance of a well-functioning DMF mechanism in eastern India, in general (comparative study of the states of Jharkhand, Chhattisgarh and Orissa), and the state of West Bengal, in particular, underlies the core aspect on this consultative workshop.

Contents:




1. Legal framework of DMF Trust and policy

2. Mining activities in Eastern India, with Special Reference to West Bengal
3. Implementation of the DMF Funds: A Theoretical Paradigm
4. Utilization of DMF Funds
5. Sustainable Mining Practices
6. Implementation of the DMF Funds: Transforming law into Action

Participants:

The participants for this program will include a diverse panel consisting of experts and shareholders across various organizations like; Industry experts, NGO representatives, research scholars and also government officials.

Organising Committee:

-  ***Patron-in-Chief:*** Prof. Dr. Nirmal Kanti Chakrabarti, Hon'ble Vice Chancellor & Chairman of Doctoral Committee, WBNUJS
-  ***Program Director:*** Dr. M.P. Chengappa, Assistant Professor, Director, Centre for Land, Mining and Real Estate laws
-  ***Organising coordinator:*** Ayushi Kushwaha, Manaswi, Aarushi De, Mehul Jain