

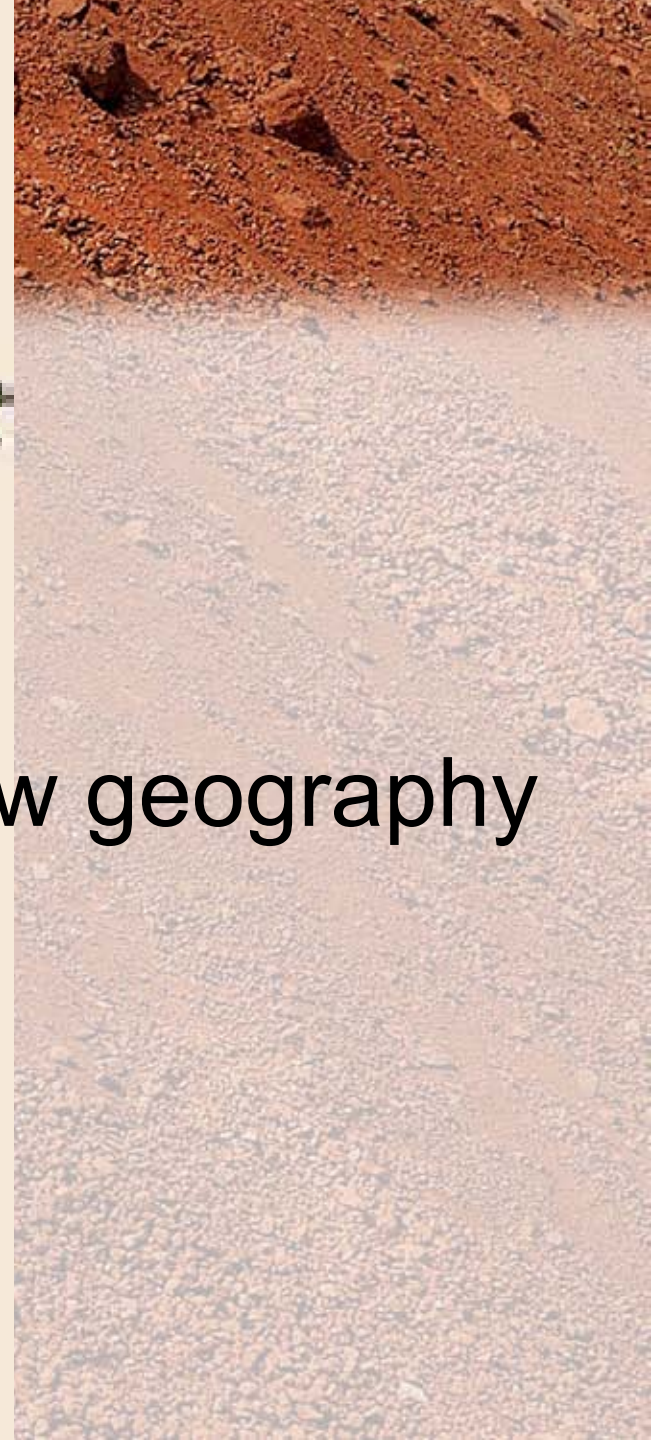
DRAFT MMDR, 2010

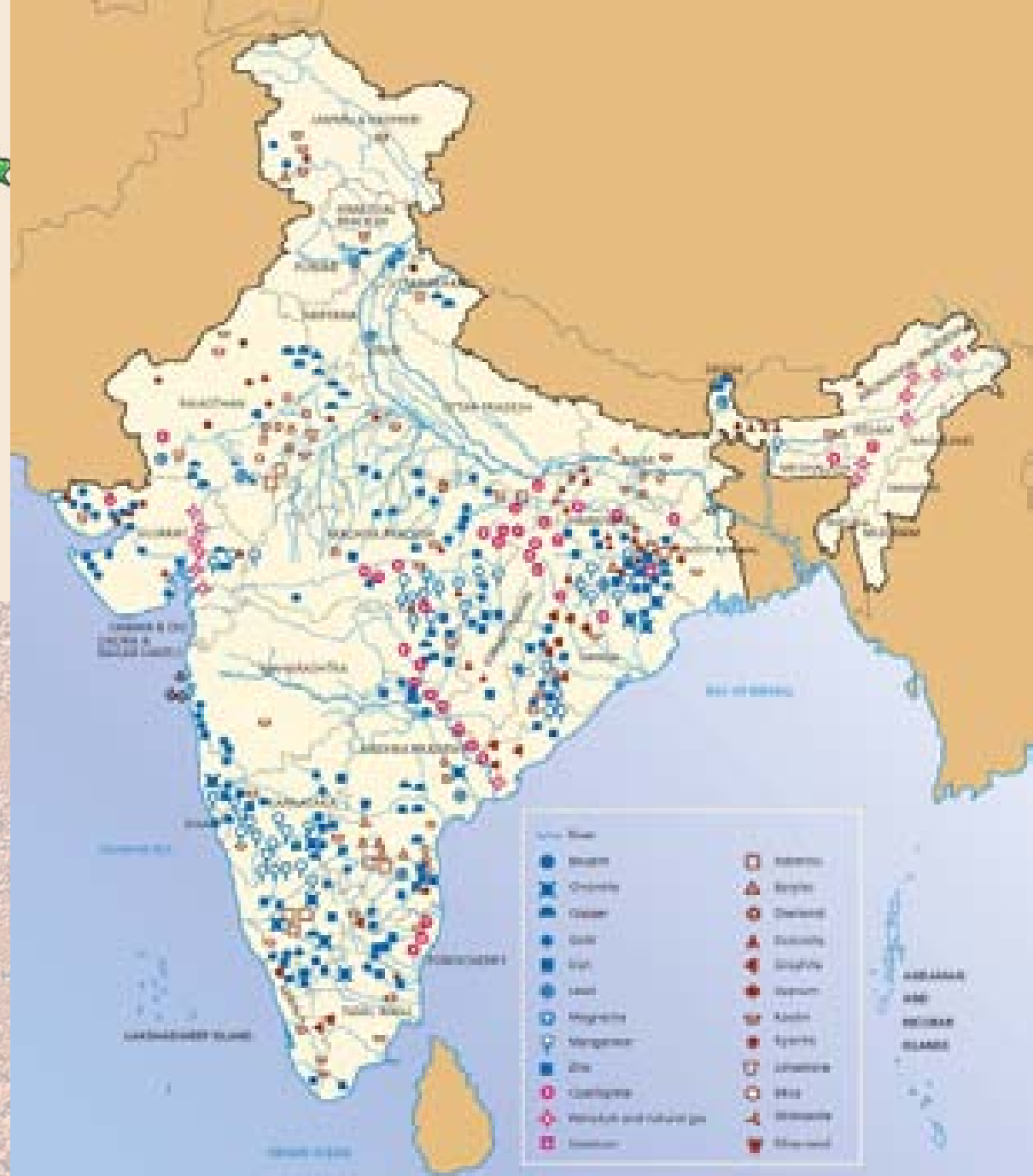


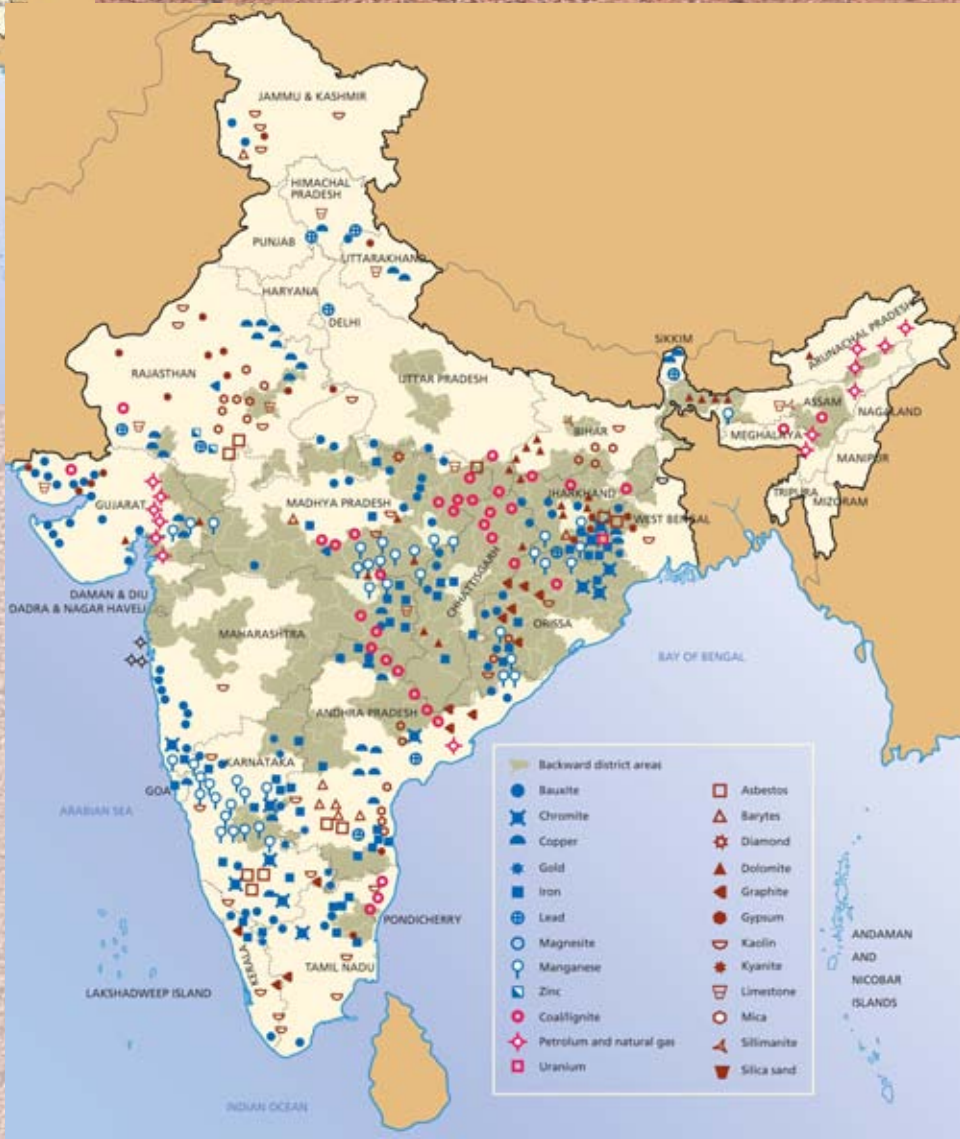
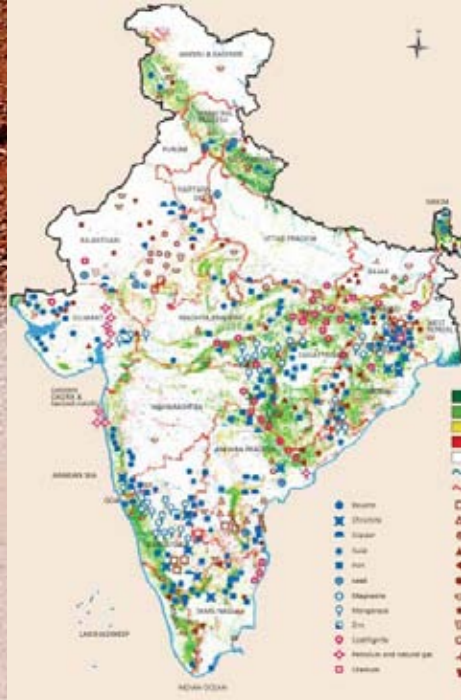
Chandra Bhushan
Deputy Director

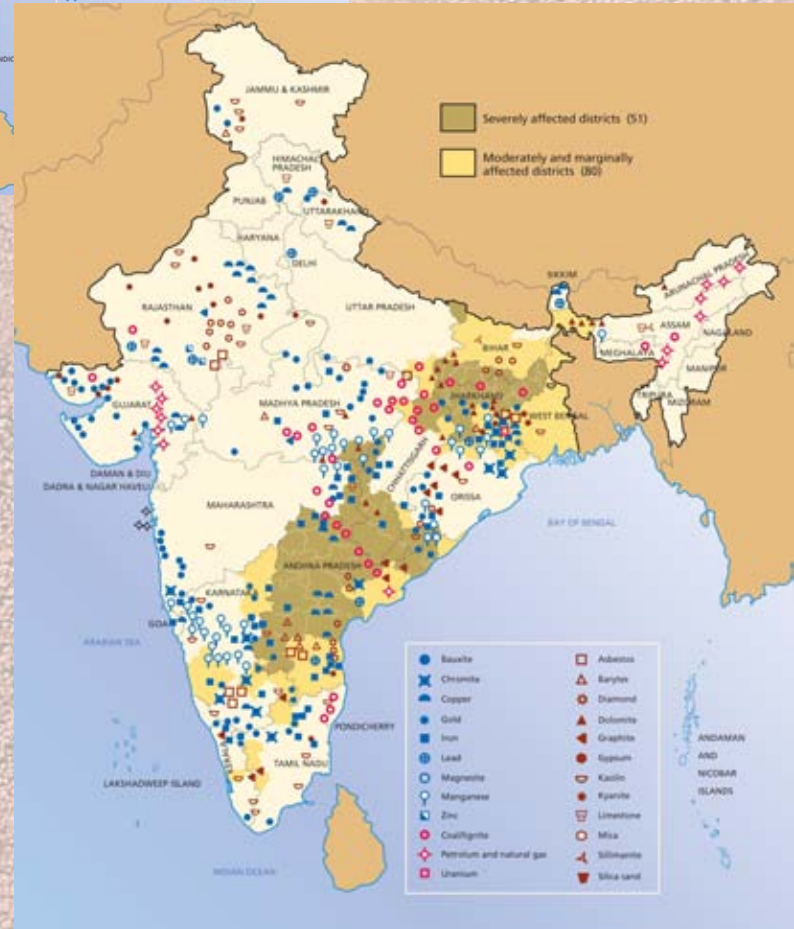
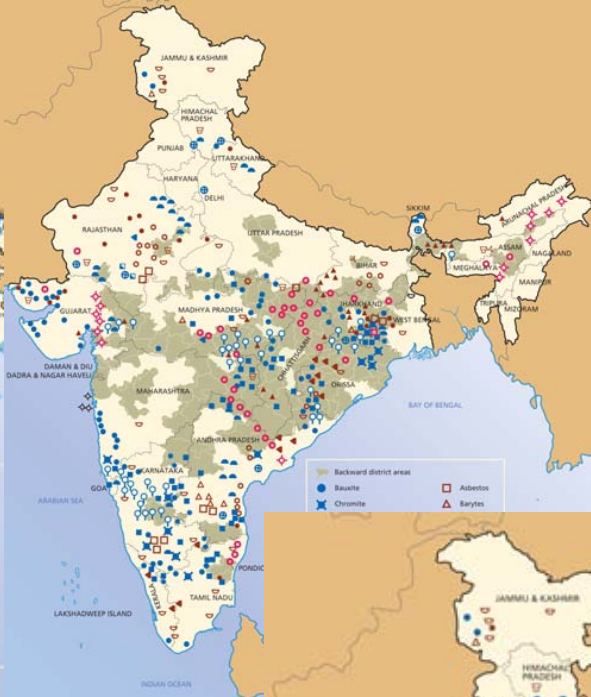
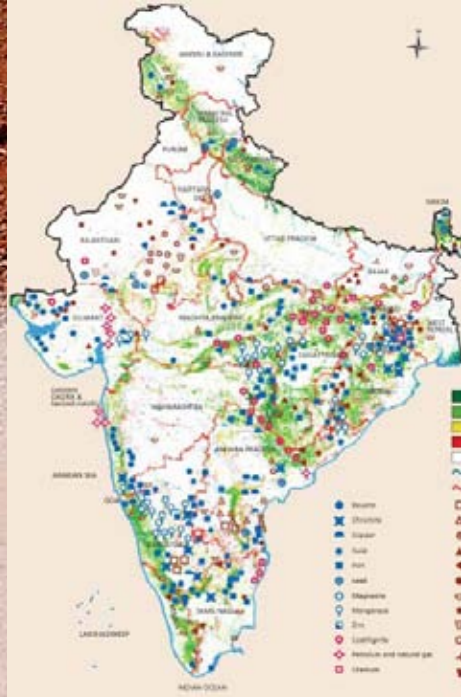


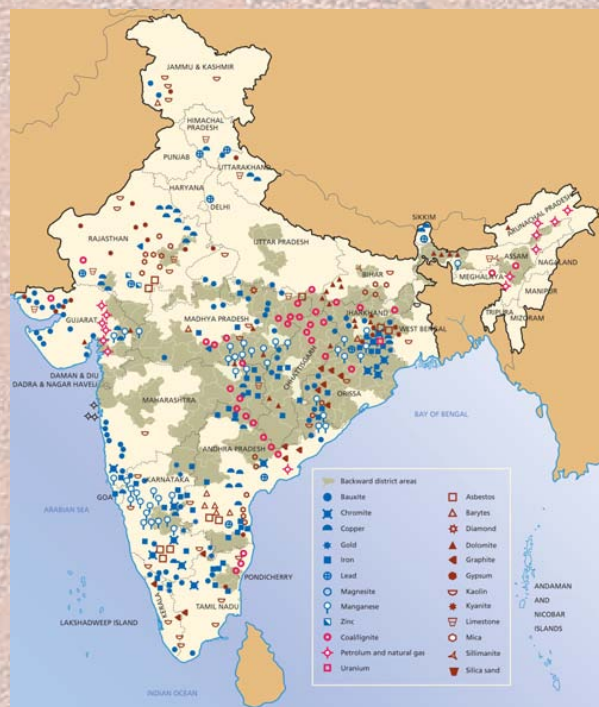
A new geography











National Mineral Policy 2008 – Highlights

- Promotes **large scale exploitative** mining
- Shifts the balance in favour of **private sector**
- Uses all social and environmental jargons, **BUT** leaves mechanism to tackle them open-ended and vague
- Makes unrealistic assumptions:
 - Miner shall leave the mining area in better ecological shape than found
 - Zero-waste mining will be the national goal
 - Mineral development contributes to regional development of the mining areas

National Mineral Policy 2008 – Highlights

- Stresses on **seamless transfer**
 - Will make forest and environment legislations redundant
 - Need to insert an oversight clause to factor in ecological and social sanctity of an area
- Advocates **security of tenure**
 - Means mines can continue even when creating severe environmental and social problems
 - Will make the mine renewal process redundant
 - To be guaranteed only if social, environmental, mining plan and other safeguards adhered to

Environment and NMP 2008

- Majority section **reproduction** of NMP 2003
- Major difference – Advocates voluntary compliance
 - Even when mandatory compliance has failed
 - Relies on sustainable development framework, which is broad and vague
 - Wants to privatise environmental and social regulations
- No progressive goals compared to NMP 2003
- Says “Mining operations shall **not ordinarily** be taken up in identified ecologically fragile and biologically rich areas”.
 - Means does not **completely** ban operations in fragile areas and may be circumvented under special circumstances
 - Any case **no effort** to demarcate ecologically fragile areas in last 15 years

Environment and National Mineral Policy 2008

- Efforts would be made to convert old disused mining sites into forests and other land use
 - No effort to rehabilitate officially 500 orphaned mines in last 15 years
 - Further adds reclamation and afforestation should proceed with mineral extraction **“as far as possible”**
- Focuses on making environment in mining sector **conducive** to private investments **without** enough safeguards for environmental and social protection

Draft MMDR, 2010

- Mines and Minerals (Development and Regulation) Act – enacted in 1957 – for development and regulation of the mining industry
- Two rules -- Mineral Concession Rules (MCR) and the Mineral Conservation and Development Rules (MCDR)
- MMDR amended 4 times – first three to increase the control of the govt. over mining. The last one done in 1999 to allow large-scale privatisation.
- MMDR, 2010 promotes large-scale private mining but has many provisions for addressing the social, economic and environmental issues associated with mining

Draft MMDR, 2010

- Miners can now have mining areas as large as 100 sq. km
- Time-frame set for state and central government for giving various permissions
- State govt. can set up a company to get all permissions – acquire land, get env. and forest clearance etc. – and sell that company to a private operator to do mining – conflict of interest
- “seamless transfer” from prospecting to mining
- Mining renewable made a formality – govt. can cancel mining lease only if it affects national security
- Role of state govt. increased – central govt. to act as an oversight agency

Draft MMDR, 2010

- Land acquisition to be negotiated between company and land holder. Land holder means a person with legal or usufruct or traditional rights. If they fail to reach a settlement then the govt. will appoint an officer to arrive at a compensation package – will award compensation.
- For prospecting, the company will have to pay annual fee to the land holder
- For prospecting or mining, if the area has houses or garden or orchards, the company cannot enter the area without giving a minimum of 1 week notice to the occupier

Draft MMDR, 2010

- The mine lease holder is liable to allot free shares equal to 26 per cent in the company through the promoter's quota or an annuity equal to 26 per cent of the profit after tax as annual compensation.
- To identify families affected by the mining operation, directly and indirectly, will be done by the Gram Sabha/District Councils/Panchayats.
- The leaseholder is also to provide employment and other assistance as under the Rehabilitation and Resettlement (R&R) policy of the concerned state.
- Mining company will also have to invest in CSR to create more employment opportunities

Draft MMDR, 2010

- Role of gram sabha increased – gram sabha to be “consulted” in schedule 5 and 6 areas before giving prospecting or mining concession
- Gram sabha/ panchayat to be involved in deciding mine closure plan (company to pay to the land holder compensation for damaging land – to be negotiated mutually)
- Gram sabha involved for deciding the beneficiary
- Mining company to give bond of Rs. 1 lakh/ha as surety for compliance with all conditions.
- Pay royalty/dead rent, cess for land and water use, cess for state and central mineral development fund, customs and excise etc.