

RESETTLEMENT AND REHABILITATION POLICY OF COAL INDIA LTD.

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Preamble

1. The location and quality of coal reserves, and their distance from major consumers determine to a great extent the selection of mine sites. For reserves that are close to the surface, opencast mining has proven to be the most efficient mining method. While relatively inexpensive, opencast mines require large areas of land. Population growth, particularly in India's eastern region, make it increasingly difficult for the subsidiary coal companies (subsidiaries) to acquire the land they need for expanding their operations.

2. In the past, subsidiaries found it relatively easy to acquire land, if they were able to offer jobs. Partly because of this practice, subsidiaries have built up their labour force beyond their needs. This has contributed to the heavy losses many mines incur and eroded the competitiveness of the coal industry. The subsidiaries may still need to hire people in selected locations and continue to give preference to those whose livelihood will be affected by coal mining operations. However, increasingly subsidiaries will need to develop other ways and means to compensate land owners and others adversely affected by their projects. Only proper resettlement and rehabilitation will elicit the cooperation of project affected people, and make it possible for Coal India to acquire the land it needs.

3. The purpose of this statement is to set out the basic principles for the resettlement and rehabilitation of people affected by coal mining projects (PAPs). As such, this statement attempts to streamline the different resettlement and rehabilitation practices that are being followed by subsidiaries and to modify them in a way that allows subsidiaries to deal more effectively with resettlement and rehabilitation issues.

4. While Coal India's basic philosophy for compensating land-losers and other project-affected people remains substantially unchanged, the statement emphasizes the need to cultivate and maintain good relationships with the people affected by Coal India's projects starting as early as possible; it also underscores that the subsidiaries have a responsibility towards the landless, whose livelihood is often taken away. On the other hand, subsidiaries need to protect themselves more effectively against unjustified claims. To this end, the statement proposes that subsidiaries prepare detailed resettlement and rehabilitation action plans (RAPs) that clearly identify, at an early stage, the entitlements of the people affected by coal projects.

5. The resettlement and rehabilitation policies followed by the subsidiaries have evolved over time and undergone numerous changes in response to changing circumstances. As and when the Central or State Governments issue new guidelines for resettlement and rehabilitation, Coal India will review and modify its resettlement and rehabilitation policy taking into account the changing conditions in coal producing areas. However, as a matter of principle, the compensation and benefits offered to the people affected by coal projects of Coal India will be at least equal to and not less than those prescribed by the laws and guidelines of the Central and State Governments. However, in any case Coal India's resettlement and rehabilitation policy has to be approved by the Ministry of Coal.

Objective of Coal India's Resettlement and Rehabilitation Policy

6. In light of the growing difficulties many subsidiaries face in land acquisition highest priority will be given to avoiding or minimizing disturbance of the local population. In their decisions to open new mines or expand existing ones, subsidiaries will explore alternative sites and project designs in order to minimize the need for resettlement. Wherever people are likely to be adversely affected by a project, the subsidiaries will prepare resettlement and rehabilitation action plans for the project.

7. Through the preparation of resettlement and rehabilitation action plans subsidiaries will safeguard that project-affected people improve, or at least regain, their former standard of living and earning capacity after a

- | | |
|---|---|
| (a) Name of the village/GP/PS | : |
| (b) Name, Father's name and address
of the head of the family | : |
| (c) Category of entitlement | : |
| (d) Whether S.C./S.T./O.B.C./General | : |
| (e) Age, Sex, educational qualification
of the members of the family | : |

Eligibility and Compensation

11. The table below shows the compensation and rehabilitation efforts subsidiaries will offer for each person or family affected by one of their projects. Evidence to the effect that a person is a legitimate PAP will need to be provided in the form of a written legal document, or reference to a record, such as a revenue officer certificate, electoral roll, ration card or school record.

Category of Persons affected by the Project	Compensation and Rehabilitation entitlement option
	Provisions
A(i) (Persons (including tribals cultivating land under traditional rights) from whom land is acquired.	<p>All land owners with titles will receive monetary compensation for the land acquired from them. The value of the land is determined on the basis of prevailing legal norms. <i>In respect of tribals cultivating land under traditional rights, authentication of land held under traditional rights by state authorities will be necessary.</i> In addition to above the following shall apply.</p> <p><u>Employment in lieu of land</u></p> <p>Employment against land shall be considered in exceptional circumstances only to fill vacancies subject to the land losers meeting the eligibility criteria & further subject to approval of the Board of Directors of the subsidiary company concerned. The norms of employment will be as under:</p> <ol style="list-style-type: none"> 1. The subsidiary companies shall offer employment to land losers as per the norms announced by the concerned State Government. However, grant of such employment will be regulated as per the scheme of the coal company mentioned below. 2. In case there is no norm of the State Government for offer of employment, the same shall be regulated as under:

Category of Persons affected by the Project	Compensation and Rehabilitation entitlement option
	<p data-bbox="563 294 686 314">Provisions</p> <p data-bbox="609 323 1296 443">One employment for every 2 acres of land. However, the subsidiaries who are granting one employment against 2 acres of irrigated land or 3 acres of non-irrigated land will continue the same policy.</p> <p data-bbox="563 472 1312 965">3. The offer of employment will be given subject to the candidates meeting the minimum eligibility criteria and they will be required to undergo minimum two years training in any trade as may be decided by the management. After successful completion of training and subject to qualifying in the trade test, the candidates will be offered employment against vacancies in any of the subsidiaries in appropriate grade. During the period of training, the candidates will be entitled to a stipend of Rs.2000/- per month in the first year and Rs.2500/- per month in the second year (all inclusive). In case the land owner is offered employment as piece rated worker (UG Loader), the stipulation of 2 years training will not be applicable to him. <i>In case the candidate fails to qualify in the trade test he would be eligible for monetary compensation in lieu of employment as stated above minus the stipend paid.</i></p> <p data-bbox="609 998 1296 1060">The rate of monetary compensation will be reviewed once in three years.</p> <p data-bbox="563 1094 1312 1313">4. In case it is not possible to offer employment due to lack of vacancies, the candidate shall continue to be paid subsistence allowance @Rs.2500/- per month till the time he is offered employment against vacancy in any subsidiary company. During the intervening period, i.e. till he is appointed against vacancy, he will be required to undergo an alternate training in any subsidiary as may be considered necessary.</p> <p data-bbox="563 1346 1302 1437">One time cash grant/monetary compensation in lieu of employment for acquisition of land on following basis (shall be applicable)</p> <ol data-bbox="575 1466 1272 1620" style="list-style-type: none"> <li data-bbox="575 1466 1272 1558">1. The subsidiary companies shall offer monetary compensation/one time cash grant/financial package as announced by the concerned State Government. <li data-bbox="575 1587 1250 1620">2. In case there is no policy of the State Government for

reasonable transition period. The transition period is to be kept to a minimum. However, the involvement of subsidiaries in resettlement and rehabilitation activities will continue until all the actions specified in the rehabilitation plan have been completed.

8. Involuntary resettlement is conceived and executed as a development programme with project-affected people being provided sufficient resources and opportunities to share in a project's benefits. The efforts of subsidiaries are complementary to government schemes in rural development. To the extent that this is necessary, the concurrence, approvals and support from concerned Government authorities will be sought. In parallel, subsidiaries will work closely with non-governmental organizations, which are legally recognized and constituted and also have the confidence of the project-affected people, in the preparation and implementation of rehabilitation plans.

Definition of Project Affected Persons (PAPs)

9. Coal India recognizes that the acquisition of land in populated areas for mining purposes greatly affects the lives and livelihood of the local population. While the development of new mines brings along job opportunities with the subsidiaries, associated contractors and ancillary industries, it also eliminates many traditional sources of income. The rehabilitation efforts of the subsidiaries are designed to integrate the various groups of people affected by the project into the regional development process. The development of a new mine or expansion of mining activities tends to accelerate this process. By informing the potentially affected people, at the earliest possible stage, about the project and options for resettlement and rehabilitation, subsidiaries prepare the local population for the changes that are to come and ease the transition to new lifestyles.

10. It is Coal India's policy to recognize adult individuals as the unit of entitlement. In their rehabilitation efforts subsidiaries deal with a wide range of project-affected people. They fall into the following categories as shown in the following table:

Recommended eligibility criteria
<p>1. Eligibility Criteria for Economic Rehabilitation Benefits. This benefit shall accrue only to Entitled Project Affected Person. Entitled Project Affected Person shall be one from the following categories.</p> <p>A. Land owners including those with whom Govt. land is settled.</p> <p>(i) Persons from whom land is acquired including tribals cultivating land under traditional rights. (ii) Persons whose homestead is acquired</p> <p>B. Landless who derive their livelihood from the land to be acquired for a minimum of three years prior to the date of notification (of intention to acquire land)</p> <p>(i) Sharecroppers, land lessees, tenants & day labourers. (ii) Tribal dependent on forest produce (iii) Whose homestead is acquired.</p> <p><u>Eligibility</u> For the purpose of economic rehabilitation CIL recognises each adult individual affected by the project as unit of entitlement. Such adult individual has to belong to one of the aforesaid categories.</p>
<p>2. Eligibility Criteria for Resettlement Benefits:</p> <p>2.1 Only a 'Displaced' family/person shall be eligible for resettlement benefits.</p> <p>2.2 A family/person shall be termed 'displaced' and hence eligible for resettlement benefits if such family/person has been a permanent resident and ordinarily residing in the project area on the date of publication of notification U/S 4(1) of LA Act, 1894 or notification U/S 7(1) of C.B.A. (Acquisition and Development) Act, 1957. Or both and</p> <p>(a) on account of acquisition of his/her homestead land / structure is displaced from such areas or (b) He/she is a homesteadless or landless family/person who has been/is required to be displaced.</p> <p><u>NOTE:</u> (I) The 'project area' means the land which is acquired for the mining projects. (ii) The person/family who does not ordinarily reside in the homestead land acquired for the project can be termed "Displaced" but he will be eligible for compensation only for homestead land / structure</p>
<p>3. Definition of Project Displaced Family (for the purpose of Resettlement:)</p> <p>3.1 The family in relation to displaced person would mean husband, wife with their minor children below 18 years and unmarried/widowed daughters on or before the date of notification U/S 4(1) of the LA Act, 1894 or U/S 7(1) of CBA (A.D) Act, 1957 in respect of the area/village. Major unmarried sons will be also included in the family. However each major married son will constitute a separate family</p>
<p>4. Census & Identification of displaced families:</p> <p>4.1 Within two months of publication of notice U/S 4(1) of the Land Acquisition Act or U/S 7(1) of CBA (A.D) Act 1957 for acquisition of land for the project a census would be undertaken in the manner to be decided by the Collector / project authority for identification of displaced families and for preparing their socio-economic profile.</p> <p>4.2 A photo identity card to each Entitled Project Affected Person shall be issued under the signature of the Collector / project authority concerned indicating the following particulars:</p>

Category of Persons affected by the Project	Compensation and Rehabilitation entitlement option
	<p>Provisions</p> <p>monetary compensation/financial package in lieu of employment against land, the monetary compensation shall be paid on the following basis:</p> <p>i) Rs.1,00,000/-(one lakh) only for first acre of land on pro-rata basis subject to a minimum Rs.25,000/-only.</p> <p>ii) Rs.75,000/- only on pro-rata basis for 2nd and 3rd acre of land</p> <p>iii) Rs.50,000/- only on pro-rata basis for land beyond 3 acres</p> <p>Note: - A person receiving a job forgoes all claims to above compensation and a person receiving above compensation forgoes all claims to employment.</p>
A (ii) Person whose homestead is acquired	<p>The Displaced family will receive the replacement cost of his homestead and the structure on it.</p> <p>In addition, the subsidiary acquiring his homestead will provide:-</p> <p>A. (i) alternate house site measuring 100 Sq. mtr per family(ii) assistance in designing the new house if so desired by the Displaced family and (iii) a shifting allowance to cover the full cost of transporting his belongings to the relocation site.</p> <p>OR</p> <p>A. One time lump sum payment of Rs.50,000/-</p>
B(i) Sharecroppers, land lessees, tenants and day labourers	<p>The subsidiary will assist EPAP to establish non farm self employment through the provision of infrastructure, petty contracts or formation of cooperatives</p> <p>OR</p> <p>Jobs with contractors. Contractors will be persuaded to give job to eligible PAPs on a preferential basis, where feasible.</p>
B(ii) Landless tribals	<p>The subsidiary will assist EPAP to establish non farm self employment through the provision of infrastructure, petty contracts or formation of cooperatives</p> <p>OR</p> <p>Jobs with contractors. Contractors will be persuaded to give jobs to eligible PAPs on preferential basis, where feasible. In addition, the subsidiaries will shift the tribal community as a unit and provide facilities to meet the specific needs of the tribal community that will allow them to maintain their unique cultural identity.</p> <p>Loss of customary rights needs to be authenticated by the district</p>

<i>Category of Persons affected by the Project</i>	<i>Compensation and Rehabilitation entitlement option</i>
	Provisions
	authority
B(iii) Persons whose homestead is acquired	The Displaced family will receive the replacement cost of his homestead and the structure on it. In addition, the subsidiary acquiring his homestead will provide:- A. (i) alternate house site measuring 100 Sq. mtr per family(ii) assistance in designing the new house if so desired by the Displaced family, and (iii) a shifting allowance to cover the full cost of transporting his belongings to the relocation site. OR A. One time lump sum payment of Rs.50,000/-

Rehabilitation Efforts

12. During the six year operation of CIL's earlier R & R policy enunciated in 1994 it has been CIL's experience that the dependence of EPAPs on CIL for mine jobs continues abated irrespective of land being surrendered. This pressure on job is further aggravated due to different minimum requirement of land being surrendered for provision of job. This makes possession of acquired land very difficult and projects get held up. This waiting for mine jobs also kills whatever little drive or initiative EPAPs possess.

13 To mitigate if not eliminate EPAPs' dependence on CIL for provision of mine job a provision of monetary compensation additional to the value of land has been conceived to be offered to those EPAPs who forego any claim - perceived or otherwise - on mine job. Besides, as a policy, mine job would be offered only in exceptional circumstances with the approval of subsidiaries' Board and EPAPs getting jobs under such circumstances would not get such additional monetary compensation in lieu of employment.

14. An EPAP chosing this option i.e. additional monetary compensation in lieu of employment or getting employment in exceptional circumstances will not be entitled to any other benefit.

15. Jobs with contractors/ Non farm self employment : - This provision is open to only those who are sharecroppers, land losses, tenants, day labourers or landless tribals.

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6. Resettlement Benefits :- Compensation for homestead whether in the category of land owner or landless category is same and through a recent modification one time lump sum payment in lieu of (i) alternate house site measuring 100 sq. m. per family, (ii) assistance in designing the new house to be drawn by the displaced family and (iii) shifting allowance to cover full cost of transporting R.F.s belonging to relocation site has now been conceived and provided as an alternative.

Women

7. Special attempts will be made to ensure that women will be given adequate access to income generating opportunities offered under this policy.

Community Facilities

18. The authority will provide to the resettlement site a school, road with street light, pucca drain, pond, dugwell and/or tubewell for drinking water supply, community center, place of worship, dispensary, grazing land for cattle and play ground. (Similar infrastructural facility, if necessary, will be extended to the host locality). The community facilities and services would be available to all residents of the area, including RALPs and the host population.

19. The approach for operation of community facilities would be flexible and efforts will be made to involve the State and local self Government/Authorities for operating the facilities. To achieve this, coordination will be entered with these agencies to ensure the same. The planning of the community facilities and their construction should be undertaken in consultation with the affected community.

Implementation, Monitoring and Evaluation, Dispute Mechanism

20. The rehabilitation action plan will address the following.

used to formulate a viable and practical RAP for the affected persons in line with their entitlements.

Schedule of the Census and Formulation of the Resettlement and Rehabilitation Action Plan (RAP)

23. Once the demographic and socio-economic data is available, the RAP will be formulated in consultation with the PAPs and the State Government. The RAP will be formulated as a simultaneous activity with the land acquisition process.

Monitoring and Evaluation

24. The RAP will be monitored and evaluated periodically after the completion of the land acquisition process.

i) The resettlement and rehabilitation activities are the responsibility of a separate group, both at the projects and corporate level, which will be constituted for planning, implementation, monitoring and evaluation of the RAP. At the corporate level the group will be headed by a senior manager, whereas at the project, an executive of the rank of manager will head the group. The project group should have at least one member with social science experience and/or skills.

ii) The project group will closely interact with the state authorities during the implementation of the RAP. Although the subsidiaries will develop the plots and infrastructural facilities in the resettlement colony and actively implement the RAP, assistance of State authorities will be taken for administrative services such as allotment of land. Implementation will be planned, monitored and corrective measures will be incorporated in the RAP, if needed. In addition to the State Government, the PAPs, the village leaders including the Pradhans and NGOs will be consulted and associated with the implementation of the RAP.

iii) The Resettlement and Rehabilitation Cell at the corporate level will evaluate the implementation of the RAP after its completion.

Mechanism for dealing with disputes

25 A committee comprising nominee(s) of the State Government, nominee(s) of the project general manager of the subsidiaries, a representative of the PAP and an independent party, such as a respected community leader, a retired judge or principal of a reputed local institution of higher education, will be constituted to examine the grievances of the PAP and propose corrective actions as required. The subsidiaries will make arrangements for establishing the Committee and bear the cost.