

MODIFIED

RESETTLEMENT AND REHABILITATION POLICY



May-08

RESETTLEMENT AND REHABILITATION POLICY OF COAL INDIA LTD.

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.

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 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.

9. Corporate Social Responsibility (CSR) : Apart from the above, CSR activities shall be intensified in and around the villages where land is being acquired. A separate provision shall be made and a separate institution created to closely monitor such activities. Possibility of creating a Foundation with branches in all the subsidiaries may also be considered.

While taking up CSR projects, overriding priority should be given to villagers being displaced as a result of acquisition of land by coal companies. It is absolutely essential that involvement of project affected people, particularly land losers, be ensured in the process of making decisions for utilization of the allocated funds.

10. Actual implementation of R&R package must follow a detailed survey of the project-affected villages to formulate the list of persons/families affected by the project, nature of the affect, the likely loss of income, etc. For this purpose, if necessary, the services of a reputed NGO with an impressive record of integrity and performance may be engaged.

11. Definition of Project Affected Family; y (PAF)

"affected family" means:

- (i) a family whose primary place of residence or other property or source of livelihood is adversely affected by the acquisition of land for a project or involuntary displacement for any other reason; or
- (ii) any tenure holder, tenant, lessee or owner of other property, who on account of acquisition of land (including plot in the *abadi* or other property) in the affected area or otherwise, has been involuntarily displaced from such land or other property, or
- (iii) any agricultural or non-agricultural labourer, landless person (not having homestead land, agricultural land, or either homestead or agricultural land), rural artisan, small trader or self-employed person, who has been residing or engaged in any trade, business, occupation or vocation continuously for a period of not less than three years preceding the date of declaration of the affected area, and who has been deprived of earning his livelihood or alienated wholly or substantially from the main source of his trade, business, occupation or vocation because of the acquisition of land in the affected area or being involuntarily displaced for any other reason.

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"family" includes a person, his or her spouse, minor sons, unmarried daughters, minor brothers, unmarried sisters, father, mother and other relatives residing with him or here and dependent on him or her for their livelihood; and includes "nuclear family" consisting of a person, his or her spouse and minor children;

12. 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 table below:

Recommended eligibility criteria

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.

- (i) Persons from whom land is acquired including tribals cultivating land under traditional rights.
- (ii) Persons whose homestead is acquired
- (iii) Sharecroppers, land lessees, tenants & day labourers.
- (iv) Tribal dependent on forest produce

2. Eligibility Criteria for Resettlement Benefits:

2.1 Only a 'Displaced' family/person shall be eligible for resettlement benefits.

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

(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.

NOTE:

(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.

3. Census & Identification of displaced families:

3.1 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.

3.2 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:

- (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

13. 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**

(i) Persons
(including tribals
cultivating land
under traditional
rights) from whom
land is acquired.

Compensation and Rehabilitation entitlement option

Provisions

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. In respect of tribals cultivating land under traditional rights, authentication of land held under traditional rights by state authorities will be necessary. In addition to above the following shall apply.

(i) Subject to suitability and availability of vacancies and further subject to approval of the Board of Directors of the subsidiary company concerned, coal companies shall offer employment at the rate of one employment for every two acres of land acquired. The employment shall be released to actual land losers or their dependant as prescribed in R&R Policy notified by Ministry of Rural Development (MORD). The dependants shall be taken in at a consolidated stipend of Rs.5550/- per month for a period of two years. The list of persons to be given employment shall be vetted and concurred by all land losers in presence of the District officials and officials of the coal companies. Actual land losers or their dependants as prescribed in the R.R.Policy notified by MORD shall either take employment or a cash compensation as prescribed below:-

1. The subsidiary companies shall offer monetary compensation/one time cash grant/financial package as announced by the concerned State Government.

2. In case there is no policy of the State Government for monetary compensation/financial package in lieu of employment against land, the monetary compensation shall be paid on the following basis:

i) Rs.200000/- (two lakhs) only for first acre of land on pro-rata basis subject to a minimum Rs.50000/- only.

ii) Rs.150000/- (One and half lakhs) only on pro-rata basis for 2nd and 3rd acre of land.

iii) Rs.100000/- (one lakh) only on pro-rata basis for land beyond 3 acres.

Category of Persons affected by the Project	Compensation and Rehabilitation entitlement options
	<p style="text-align: center;">Provisions</p> <p><u>Note:</u> A person receiving a job forgoes all claims to above compensation and a person receiving above compensation forgoes all claims to employment.</p> <p>(i) Priority for release of employment to land losers shall be based, normally, on the quantity of land lost. In other words, the list of land losers should be prepared in the descending order of land lost and employment released in that order upto the cut-off determined on the basis of availability of vacancy, suitability of candidate and the package concept of 1 employment for every 2 acres of land acquired. Any deviation in the priority for release of employment can be made only with full justification to be recorded in writing and accepted by Company Officials, District Officials as well as the concerned local leaders and specially the person(s) whose claim is superseded.</p> <p>(ii) Post employment, the employee shall be posted where the need is, including underground duties. Land losers not eligible for employment shall be offered cash compensation at the rates prescribed in the new R&R Policy notified by MORD.</p> <p>(iii) In case of direct recruitment from outside, the project affected persons shall be encouraged to apply and they shall be entitled to a preference. The project affected persons, who are not land losers, shall be entitled to preference vis-à-vis outsiders - other things being equal. In case of land losers not considered for employment, preference shall be given by allowing him/her the advantage of 5 marks out of 100 in the overall marking system. This preference shall apply over and above the cash compensation offered to such land losers.</p>
(ii) Person whose homestead is acquired	<p>A. <u>alternate house site measuring 100 Sq. mtr per family</u>(ii) assistance in designing the new house if so desired by the Displaced family and</p> <p>Compensation for shifting etc. shall be as per the rate prescribed in the new R&R Policy notified by MORD as below:-</p> <p>- Each affected family that is displaced and has cattle, shall get financial assistance of fifteen thousand rupees, for construction of cattle shed.</p>

Category of Persons affected by the Project	Compensation and Rehabilitation entitlement option
	<p style="text-align: center;">Provisions</p> <ul style="list-style-type: none"> - Each affected family that is displaced shall get a one-time financial assistance of ten thousand rupees, for shifting of the family, building materials, belongings and cattle - Each affected person who is a rural artisan, small trader or self-employed person and who has been displaced shall get a <u>one-time financial assistance of twenty-five thousand rupees, for construction of working shed or shop</u> - Each affected displaced family will get <u>subsistence allowance 25 days MAW per month for one year.</u> <p style="text-align: center;">OR</p> <p>A. One time lump sum payment of Rs.100,000/- (one lakh)</p>
(iii) Sharecroppers, land lessees, tenants and day labourers	<p>The <u>subsidiary will assist PAP to establish non farm self employment through the provision of infrastructure, petty contracts or formation of cooperatives</u></p> <p style="text-align: center;">OR</p> <p><u>Jobs with contractors: Contractors will be persuaded to give job to eligible PAPs on a preferential basis, where feasible.</u></p>
(iv) Landless tribals, Tribal dependent on forest produce	<p>The subsidiary will assist PAP to establish non farm self employment through the provision of infrastructure, petty contracts or formation of cooperatives.</p> <p style="text-align: center;">OR</p> <p><u>Jobs with contractors. Contractors will be persuaded to give jobs to eligible PAPs on preferential basis, where feasible.</u></p> <ul style="list-style-type: none"> - In addition, the subsidiaries will shift the tribal community as a unit and provide facilities to meet the <u>specific needs of the tribal community that will allow them to maintain their unique cultural identity.</u> - <u>Tribal affected family will be given one-time financial assistance of 500 days of MAW for loss of customary right or usages of forest produce. Loss of customary rights needs to be authenticated by the district authority.</u> - Tribal affected families resettled out of the district shall be given <u>25% higher rehabilitation and resettlement benefit.</u>

Rehabilitation Efforts

14. During the last 13 years of operation of CIL's earlier R & R policy enunciated in 1994, it has been CIL's experience that the dependence of PAFs on CIL for mine jobs continues unabated 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 PAFs possess.

15. To mitigate if not eliminate PAFs' 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 PAFs 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 PAFs getting jobs under such circumstances would not get such additional monetary compensation in lieu of employment.

16. A PAP choosing this option i.e. additional monetary compensation in lieu of employment or getting employment in exceptional circumstances will not be entitled to any other rehabilitation benefit.

17. Jobs with contractors/ Non farm self employment :- This provision is open to only those who are sharecroppers, land lessees, tenants, day labourers or landless tribals or tribals dependant on forest produce.

18. Resettlement Benefits :- Compensation for homestead whether in the category of land owner or landless category is same and provides for 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 if so desired by the displaced family and (iii) shifting allowance to cover cost of transporting PAFs belongings to relocation site, (iv) assistance for construction of cattle shed, working shed; and (v) substance allowance for one year.

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

Community Facilities

20. The subsidiary will provide at 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 PAPs and the host population.

21. The approach for operation of community facilities would be flexible and all efforts will be made to involve the State and local self Government/Panchayat for operating the facilities. To achieve this, subsidiaries will pursue 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

22. The rehabilitation action plan will address the following:

- i) The project design, including an analysis of alternative designs aimed at avoiding or minimizing resettlement,
- ii) socio-economic survey and activities to ensure restoration of incomes of PAPs in line with Coal India's resettlement and rehabilitation policy;
- iii) description of the institutional and other mechanisms for provision of entitlements;
- iv) time table for the acquisition and preparation of the resettlement site(s);
- v) the cost and budgets for the resettlement and rehabilitation of PAPs;
- vi) project-specific arrangements to deal with grievances of PAPs; and
- vii) time tables, benchmarks and arrangements for monitoring the resettlement and rehabilitation effort.

Socio-Economic Survey

23. A baseline socioeconomic survey will be carried out to identify the PAPs to ensure restoration of incomes of PAPs in line with Coal India's Resettlement and Rehabilitation Policy. This survey will be conducted, within two months of notification under the relevant land acquisition Acts, by the subsidiaries with the help of reputed outside independent institutional agencies, who are well versed with the social matrix of the area.

24. The basic objective of the socio-economic study will be to generate baseline data on the social and economic status of the population who are likely to lose their means of livelihood or homestead due to the acquisition of the land for the project. The data base will be 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)

25. 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

26. 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

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27. 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.

28. Corporate Social Responsibility (CSR)

(i) Budgetary provision shall be created to intensify CSR activities in and around the villages where land is being acquired. Initially a provision @ of 1% of retained earnings of CIL shall be created as corpus to support intensification of CSR activities in ECL and BCCL. In other companies a provision varying from 1 to 2.5% of retained earnings be made initially depending upon the requirement.

(ii) While taking up the CSR projects, overriding priority be given to the persons displaced as a result of acquisition of land by coal companies. Involvement of project affected people, particularly the land losers, in the process of making decision for utilisation of allocated fund must be ensured. The funds should be utilised to offer facilities such as -

(a) Creation of social assets such as Community Centre, Educational Institution, Medicare facilities, arrangement for drinking water etc.

(b) Developing infrastructure for better quality of life such as roads, sewerage system, rain-water harvesting.

(c) Creating institutions to impart vocational training for acquiring and upgrading technical skills with a view to enhance employability.

Insert (d) Conduct programmes relevant for women, etc. Nevertheless, it is reiterated that the actual package to be implemented in individual cases must be decided after taking the beneficiaries fully on board. Role of the coal companies or the separate institution as and when created shall be initially to facilitate interaction amongst various groups to decide the package and thereafter implement the same in a time bound manner.

(The above list is only indicative and not exhaustive)