

04 August, 2022

Shri Bhupesh Baghel  
Hon'ble Chief Minister & Minister for Mines  
Government of Chhattisgarh  
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**Sub: INC Manifesto promises on mining & allied activities**

Dear Shri Baghelji,

As you are aware, India's National Mineral Policy 2019 says "*Natural resources, including minerals, are a shared inheritance where the state is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. State Governments will endeavor to ensure that the full value of the extracted minerals is received by the State.*"

What does it mean? Put simply, oil, gas & minerals are inherited wealth, our family gold. States are merely trustees over the mineral wealth for the people and especially future generations. As custodians of this inheritance, it is our duty to ensure that our children inherit either the mineral wealth or its value. Mining / extraction is effectively the sale of this wealth. Royalties, auction premia, and the like are mineral sale proceeds, financial wealth in exchange for the family gold. In this perspective, we are joint custodians over the minerals on behalf of future generations.

We write to draw attention to the promises of the Indian National Congress (INC) in the manifesto at the time of the 2018 elections to the Chhattisgarh Legislative Assembly. The mining section of the INC manifesto for the last elections said:

**खनन और संबद्ध गतिविधियां**

- डिस्ट्रिक्ट माइनिंग फण्ड के नियमों को संशोधित कर यह सुनिश्चित किया जायेगा कि कोष का 50% हिस्सा खनन प्रभावित व्यक्ति व क्षेत्र के लिए, 25% कोष प्रभावित ब्लॉक के लिए एवं 25% कोष प्रभावित जिले के विकास कार्यों के लिए उपयोग किया जाएगा।
- प्राकृतिक संसाधनों को आगामी पीढ़ी के लिए सुरक्षित करने हेतु इंटर जेनरेशन इक्विटी के सिद्धांतों के आधार पर नीति बनाई जाएगी जिसके लिए वैज्ञानिक आयोग की स्थापना की जाएगी, जिसमें अर्थशास्त्री और समाज सेवी संगठन भी सदस्य के रूप में सम्मिलित होंगे।

- ऐसीउत्खनननीतिबनायीजायेगीजिसमेंपहलेआओपहलेपाओकेसिद्धांतकेआधारपरखदानकापट्टाआवंटितकियाजायेगा।
- लघुखनिजखनननीतियोंकापुनरीक्षणकरइसकेव्यापारकोआसानबनायाजाएगाएवंपारदर्शितालायीजाएगीतथासरकारीराजस्वमेंवृद्धिकोसुनिश्चितकरनेहेतुनीतिकासख्तीसेक्रियान्वयनकियाजायेगा।  
सभीविकासगतिविधियोंकेलिएस्थानीयरूपसेउपलब्धलघुखनिजकोप्राथमिकतादीजायेगीऔरस्थानीयरूपसेलघुखनिजउपलब्ध न होनेपरहीबाहरसेमंगवाईजाएगी।
- यहसुनिश्चितकियाजाएगाकिलघुखनिजखननसेअर्जितसभीराँयल्टीकाखननसे 5  
किमीकेदायरेवालेक्षेत्रोंकेविकासकार्योंमेंहीउपयोगकियाजाएगा।

(Google Translate of above) *Mining and allied activities*

- *By amending the rules of District Mining Fund, it will be ensured that 50% of the fund will be used for the mining affected person and area, 25% for the fund affected block and 25% for the development works of the affected district.*
- *In order to protect natural resources for the next generation, a policy will be formulated on the basis of the principles of intergenerational equity for which a scientific commission will be set up, in which economists and social organizations will also participate as members.*
- *An excavation policy will be formulated in which the mine lease will be allotted on the basis of first come first served basis.*
- *By reviewing the **minor** mineral mining policies, its trade will be facilitated and transparency will be brought and the policy will be strictly implemented to ensure increase in government revenue. Locally available **minor** minerals will be given priority for all development activities and will be imported only if locally available **minor** minerals are not available.*
- *It will be ensured that all the royalties earned from small scale mining will be used only in the development works of areas within a radius of 5 km from mining.*

As far as we are aware, none of these five promises have been implemented.

- The MMDR Act requires District Mineral Foundations to be used only for the benefit of mining affected areas and people -100%. However, it is possible to allocate 50% of the funds for the mining affected village, 25% for the mining affected block and 25% for the mining affected district, if these are notified as mining affected areas.
- It is of utmost importance to set up the scientific commission to help develop a policy based on the principle of intergenerational equity. We must ensure the future generations of Chhattisgarh inherit as much as we did. As you have pointed out in your letter to the PMO dated 12-April-2019, the people and future generations of Chhattisgarh have lost



over Rs. 9 lakh crores during the coal auctions. For the sake of our children's future, we must stop these kinds of losses. *Jal, jangal* and *jameen*, our natural resources, are also a shared inheritance, and future generations also have an equal right to them. Developing a policy to deal with these issues is crucial. We note that the Goa Foundation has proposed a comprehensive approach to intergenerational equity (enclosed), and we would recommend the scientific commission consider their proposals.

- Under the present MMDR Act, and as a result of a **number** of Supreme Court judgments on allocation of natural resources, it is no longer possible to allocate mineral leases on a first-come-first-serve (FCFS) basis. The reason is that with the FCFS process, we will only receive royalty for our minerals, whereas with auctions, we will receive royalty + auction premia. Therefore, the FCFS system would result in losses to our inherited wealth when compared with an auction process, and would be unconstitutional.
- For **minor** minerals like sand & stone, we strongly support the increase in transparency and increase in government revenue. In reality, there is very little transparency around minor minerals. We note that our neighbouring states, Odisha & Jharkhand, set up relatively transparent portals for major minerals, and similar approach could be taken. As far as increasing government revenue, we would like to draw your attention to the experience of Telengana, where sand royalties went up many times after introducing a government monopoly on sand, while subcontracting the extraction and transport of sand in a transparent manner. Local cooperatives set up by the gram sabha may be given preference for the extraction raising contracts.
- We support the use of royalties from the sale of minor minerals for the local areas. However, we have yet to see any government order that would put this into effect.

The next elections are over a year away. This gives enough time to implement these above points.

This will help safeguard our common *jeypdaad*.

Yours faithfully,

Sarthak  
Adivasi Jan Van Adhikar Manch  
Goa Foundation  
Environics Trust  
Mineral Inheritors Rights Association (MIRA)

cc: Smt. Sonia Gandhi, President, Indian National Congress

encl: [Goa Foundation proposal to UNEP on mineral resource governance](#)