

India

**Coal Sector Environmental and Social Mitigation
Project.**

CASS presentation on

the **Inspection Panel Report**

**Chotanagpur Adivasi Sewa Samiti,
Village Kasiadih, Charhi,
Dt Hazaribag Jharkhand,
India.**

April 2003

The Coal Sector Rehabilitation Project (CSRP)

- Recipient is Coal India Limited (CIL), a holding company for 7 subsidiaries, who are owners and managers of the 25 mines of the project.
- East Parej mine is owned and operated by the subsidiary, Central Coalfields Limited (CCL).
- IBRD Loan \$530m, and \$2m IDA Credit, out of total project costs of \$1,700m. Includes a \$300m investment component and a \$200m fast disbursing program component.
- Its investment component would finance the purchase of mining equipment for the modernization and maintenance of 24 CIL opencast mines, chosen on basis of larger profitability.
- This would increase the total output of the mines from 78.6 million to 104.6 million tons/year.
- The loan will also contribute to the overall modernization and profitability of Coal India.
- The Environmental Impact Assessment (EIA) estimates that by the year 2004, the project would thus boost Coal India's annual production to about 320 million tons, as compared to about 240 million tons without the project.
- Board Approval of loan no 4226-IN in September 1997, due to expire June 2003.
- Cancellation of second phase on July 24,2000. At that time IBRD loan disbursements were \$235.7m, IDA credit disbursements were \$1.41m. JBIC disbursements were the equivalent, JBIC also cancelled.
- Reasons for cancellation of second phase:- official – “revisited demand for coal... overall demand for coal would not grow”. But other factors :- non-implementation of privatization and other coal sector reforms? non-success of CSESMP? (Cf Michael Phillips, Wall Street Journal, 14 August 2000).

The India Coal Sector Environmental and Social Mitigation Project (CSESMP)

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• **Initially conceived as a component of CSRP, then taken out as a separate project: the CSESMP. Cross-conditionality were assured.**

• **Aim: to assist CIL in making coal production more environmentally and sociably sustainable**

• **Three objectives:**

• **Enhance CIL's institutional capacity to deal more effectively with environmental and social issues.**

• **Implement policies for environmental and R&R mitigation of affected people.**

• **Help CIL develop its policies for R&R, Community Development, Environmental Management.**

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By means of:-

○ **Rehabilitation Action Plans (RAPs) for 14 mines where people were to be resettled.**

○ **Indigenous Peoples Development Programmes (IPDP) in 25 mines for villages within 1 k radius of the mines.**

○ **Capacity building and institutional changes in CIL (appointment and training of R&R officers, Public Information Centres)**

○ **Appointing NGOs to facilitate the RAPs and IPDPs**

○ **Formation of Village Working Groups**

○ **“Self-employment” as the main strategy for economic rehabilitation,**

• **Employment in the Company (traditional means of economic rehabilitation) was radically curtailed.**

• **IDA credit of \$63m , granted May 1996, due to close June 30, 2001**

• **On closure date, \$24m un-disbursed, so extended up to June 30, 2002.**

Issue	Total CSESMP	Tot for Parej
Families to be resettled (be end 2002)	2,584	227
PAPs entitled for income restoration	10,003	628
PAPs targeted for self-employment assistance	6,532	202
Villages covered by IPDPs	186	11
Population covered by IPDPs	1876,000	2,900

Source : Project Fact Sheet CSESMP, WB

INSPECTION PANEL

- Request for Inspection submitted on June 21, 2001 by local residents through NGO CASS on behalf of village applicants who requested anonymity.
- Management Response of 20 July 2001, maintained that it had complied...
- The Panel recommended an Investigation after reviewing Management's response and visiting the Project area. The Board approved the Panel's recommendation for Inspection on September 7, 2001.
- The Panel visited the site in December 2001.
- Inspection Panel Report submitted to Board Nov 25, 2002.

Counts of Compliance:-

IP No.	Oper. Dir.	Issue.
129:	ODN 11.03	discussion on cultural issues.
152:	OD 4.30 para 17	grievance mechanism, formally in compliance
299:	OD 4.20	to include all vulnerable people in framework plan...
432 :	OD 4.30 para 8	PAPs interviewed during base-line survey.....
440:	OD.4.30 para 8	systematic consultation and involvement by....
473:	OD 13.05	major problems, doing best to translate efforts into outcomes.

Further commendations:

- 291: "for recognizing that a land-based income restoration option was essential...
- 340: "recent efforts by Management...in some progress..massive shift of institutional culture....
- 466: " made significant effort to overcome some of the problems

Counts of Non-Compliance:

IP Rpt	Oper. Dir.	Issue.
57:	OD 4.30 para 30	adequacy of the planning, RAP
75:	OD 4.30 3(b)	adequate compensation for land
78:	OD 4.30 para 8:	compensation process to be transparent
96:	OD 4.30 para 8:	consultation in selection of resettlement site.
110:	OD 4.30 paras 13,19	resettlement site - second generation expansion.
117:	OD 4.30 para19	potable water at resettlement site
126:	OD 4.30 para 19	educational services at resettlement site
145:	OD 4.30 paras 13(c), 14(a)	arranging for legal title deeds,
177:	OD 4.30 p.17, OD 4.20: 5c,17	legal recognition of customary held land.
179:	OD.430	compensation for customary held land.
196*:	OD 4.20 para 15(a)	tribal dependence on /access to natural resources
204:	OD 4.30 para 15(c)	access to equivalent natural resources
212:	OD 4.30 para 3(b)(iii)	improve former living standards
227:	OD 4.30 para 30(e)	feasibility of rehabilitation arrangements,
235:	OD 4.30 para 4	preference to land-base resettlement strategies
243:	OD 4.30 para 24,29,30	failure of “self-employment” to improve, or restore
258*:	OD 4.30	failed to improve, or at least restore living standard
267:	OD 4.30 para 30	self-employment unrealistic for regaining livelihood
284:	OD 4.30 3(b)(ii)	assistance during transition period
304:	OD 4.20 para 18	review of IPDPs before appraisal
316:	OD 4.30 para 18	IPDP responsive to local needs
326:	OD 4.30	inflexible IPDP
331:	OD 4.20 para 14(a), 18	consultation during preparation of IPDP
341:	OD 4.20 para 15(d)	IPDP non specific to community needs
394:	OD 4.01 p. 21, BP 17.50 p.12	inadequate disclosure of information
409:	OD 4.01 p. 21, BP 17.50 p.12	inadequate accessibility to information
425:	OD 4.01 p. 20, BP 17.50 p.12	no meaningful consultation on EIA preparation.
433:	OD.4.30 para 8	systematically informed and consulted.
434:	OD.4.30 para 9	consultation of host community
448:	OD 4.01 para 19	consultation of local NGOs
457:	OD.13.05	Bank supervision unsatisfactory

* 196 omits important point of Ex Sum 44,

* 258 omits important point of Ex Sum 57.

Further:- “raises serious questions...”

- 85: “..the process and basis of house compensation.
- 88: “..a legal way to get PAPs to move on, but should not be confused with development.
- 102: “... conditions... are hardly fit for human habitation....
- 152: “whether PAP members were democratically elected, or selected by authorities.
- 267: “major planning flaw....could become entrepreneurs....
- 271: “feasible strategy for income generation should have been in place...
- 283: “failed to ensure ..effective support during transition period....suffered harm
- 348: “IPDP - dominance of infrastructure activities, little depth, marginal, no long term..
- 364: “no documentation or information on the 5 year CSESMP mine reclamation programme could be provided to the Panel team...
- 365: “The Panel found little evidence that mine level staff had training and knowledge....
- Counts of Compliance:** Management must have been aware of the lack of action on reclamation....that (CCL) had no intention of reclaiming mined areas.....
- 429: “no evidence to indicate that PAPs were consulted....
- 446: “not clear how ...Management’s obligation to ensure consultation
- 456: “most unfortunate that Management did not act....



The Turis (basket makers) of Turi Tola were the first to be displaced.



**House of Arjun Turi,
Turi Tola,
2 Feb. 1998, 2.30 p.m.**



•**Arjun Turi, the first person to be displaced by the East Parej mines on 2nd Feb.1998.**

•**Today he suffers from TB. He can't work any more. His wife and children have to supplement the needs of the family. A victim of false promises made by the Bank.**



•East Parej EMP 1992: “Land reclamation maybe defined as a process to restore the degraded land to productive useful, non-polluting and aesthetic uses [IP 356]

•The Panel was not shown nor did it observe any top soil conservation during its visit to the Parej East open pit. [IP 363].

•Although requested at the site, no documentation or information on the five year CSESMP mine reclamation programme was ever provided to the Panel team [IP 364].

•The Panel found little evidence that mine level staff had training and knowledge of soils and reclamation activities at the Parej East site. Mine rehabilitation appears to be handled as a separate matter to mine planning and operation and staff were unable to provide the Panel with evidence that the eventual configuration and rehabilitation of mined areas were being planned [IP 365]



- Thousands of *mahua* and indigenous trees uprooted by Parej mine ignores the Tribal relationship with these trees, which are also a source of livelihood.
- The compensation for one fully-grown fruiting tree is approximately Rs.500/-.
In a good season, a tree will give Rs 2000/-
- “Loss of fishing, grazing, or forest areas cannot easily be evaluated or compensated for in monetary term” (IP.197, p.50)



•“Mother our house is gone” – cries little Sunita.

•Parej East, Borwa Tola, December 1999. Huge machines bulldozed mud houses, as the helpless villagers watched. It was a war like situation, with the Magistrate and the Police threatening, and the CCL officials with wireless sets. While the villagers hurriedly scrambled to collect their meager belongings.



- **Bhola Manjhi, Borwa Tola, the day he was “ involuntary relocated”, Dec 21. 1999**
- **After having lost 2 acres of land to the Parej mine, his two sons were not given a job and his entire family faced total loss.**
- **A farmer by occupation he had to be content with Rs.50,000/- as compensation for not choosing to go to the Pindra Rehabilitation site.**
- ***“In the Panel’s view, it is difficult, if not impossible, to reconcile the Bank’s aim of development with a one time cash grant for acquisition of home and land.” (IP.20,p.x)***



•**Barki Hembrom at the natural spring below Jogwa Tola, Parej (March 2001).**

•**This land had many natural springs, but today none exist.**

•**The spring in the photo has been covered with over-burden from the Parej mine.**

•**They can never be replaced.**



- **The Forced Eviction (“relocation”- World Bank) of Borwa Tola in December 1999.**
- **17 families were evicted in this manner, the families were carted in dumpers and left at the Pindra Rehabilitation site.**
- **The only use the school, community hall and primary health centre provided, was to shelter these displaced families, while they hurriedly built their houses at the rehabilitation site.**



•House of Rameshwar Turi, in Premnagar (in foreground), located just outside the boundary wall of the CCL employees colony.

•Contrast the two - one of local people who gave land for the project who have no definite income, the other outsiders who are salaried employees.

•*“The comparative deprivation of the Turi families has thus been made very apparent. The forests are adjacent to the colony and there is frequent encroachment o the forest area by the resettlement area by the families leading to quarrels with the local forest guard resulting in harassment of these families. No school and health facilities are provided here” [IP 95 fn93]*



Many children like this one are left to themselves at the coal dump, while their parents hand-load the trucks. While sick children are left at home unattended. The hand-loading of trucks is done mostly by hundreds of women. This coal dump for the East Parej project has become one of the most exploitative business in the area. Yet this is one of the only viable livelihood option the people have in the coalfields.





•Photograph of Lalbatti Murmu. Evicted from Borwa tola December 1999. Died September 2002.

•Lalbatti Murmu is one of the several women to have died after having being displaced, a victim of the one-time grant for acquisition of land and homestead, as well as not being compensated at replacement value. Her death and the suffering of several women demonstrates a lack of support during the transition period in the resettlement site.

•Her young teenage daughter Birsi was a domestic servant in one of the company official's quarters in Premnagar. "Late at night she was brought home dead - she had died under mysterious circumstances".

•Another younger son also died of sickness. Her husband is Jagdish in Pindra Rehabilitation site.



- This is (was) the natural spring in Agaria Tola (Facodih), a village of the East Parej IPDP Project.
- Agaria Tola has 22 families, all indigenous people.
- The Village is not to be displaced. But it is wedged on a peninsular of land in between CCL's East Parej coalmine on the west, and TISCO's West Bokaro coalmine on the East.
- To these two mines it has lost its agricultural fields, its supporting forest, water resources and Sacred Grove.
- See the photograph. The natural spring was the place for women meeting, socializing, children playing, a vibrant centre of village life, as the photo shows.
- In the photo, see the back ground mining machines.



- The photo above is what was left of the spring after it was bulldozed by TISCO in May 2000.**
- But this is an IPDP village of Parej, so it has received: - a community latrine, road repair, distribution of bleaching powder, training programme for village working group, distribution of fruit trees, and pond renovation. [Source: Management Response to Inspection Panel, Annex 6]**



- **This well was given as replacement for the live spring by TISCO in Agaria tola (Facodih).**
- **It has dried out (15 Feb.2003) because of the blasting in the Parej mine.**
- **For drinking water the women walk about a few kilometers, to the hand pump in Facodih.**
- **For bathing and for washing clothes, dishes, etc. they go down to the water collected in the nearby abandoned mines.**



•This is a picture of Jayaram Agaria of Agaria Tola.

•He is 11years old, and is suffering from TB.

•From his hamlet of 22 families, 10 people have died in the 3 years from 1998-2001.

•Causes of death are TB, diarrhoea and malaria.

•*“It would be extremely difficult, if not impossible, to ascribe any alleged increases (of morbidity and mortality) to the project. (IP 122).*

•But, it is an IPDP village, and in spite of this, these deaths have occurred.



•***JAHER*** or the Sacred Grove in Parej mine.

•The Indigenous community worship the ancestors here. Today that community does not exist any more. *Jaher Ayo* or Mother Sacred Grove, as she is affectionately called seems to be the mute spectator of this devastation and wonders “how long shall I survive.”



- **This is a photo of Durpattiya Devi, of Turi Tola, Parej.**
- **Her family traditionally lived from basket making, they are Turis by caste.**
- **Previously land-owners, she and her family now live in Premnagar Colony without legal possession of any land.**
- **Her former skill, basket making, is the only source of her survival.**



•This is a picture of the Parej barracks “*hardly fit for human habitation*” (IP para 24) where 7 families continue to live after relocation. One room per family.

•They prefer to remain here because this place gives them livelihood opportunities.



• **This is a photo of Durukasmar, one of the last villages to be displaced by the East Parej Project.**

• **Will the same mistakes be made here?**

An extended interaction between NGOs and WB

From early 1996, local and international NGOs had an extended interaction with the Bank on the issues of coal mining in this Project. This interaction included the following:-

- 25.02.96: "Comments": initial communication of Indian NGOs to the World Bank.
- 20.04.96: "Report on the East Parej OCP" by CASS.
- 26.04.96: "Mainstreaming Sustainability" by Berne Declaration
- 30.04.96: "Environmental Arguments" by Mine Watch.
- 13.05.96: World Bank (Pollak) reply to "Mainstreaming".
- 15.05.96: "NGO rejoinder" to WB response to "Mainstreaming"
- 09.06.96: "Memorandum" by Indian NGOs on occasion of Task Manager Pollak's visit.
- 13.09.96: "Benchmarks" submitted by 13 NGOs.
- 04.10.96: NGO discussion of Benchmarks with the Bank's India Department, Washington.
- 29.10.96: Letter to Chaoji "Arrest & beatings"
- 01.11.96: WB response (Vergin) to Benchmarks.
- 12.12.96: D.Marsden "Update Concerns"
- 07.02.97: "Outstanding Issues"
- 27.02.97: J Panelic "issues to new TM"
- 05.04.97: Local NGO MMeeting with CCL Ranchi
- 16.04.97: Meeting in Washington between northern NGOs and WB
- 25.04.97: WB response (Drysdale) to Outstanding Issues.
- 27.04.97: CASS letter to Bauer.
- 30.04.97: Second meeting in Washington, northern NGOs and WB.
- 30.04.97: Meeting with Marsden at Charhi
- 06.05.97: Pantelic to Bossard
- 09.05.97: Consultation in Paris, WB and northern NGOs.
- 13.05.97: Bossard re Delhi NGO Meeting
- 13.05.97: Bossard to Gerber
- 14.05.97: K Singh to Bank re Delhi NGO Meeting
- 14.05.97: CASS to Pantelic re Delhi NGO Meeting
- 15.05.97: WB proposed NGO consultation in New Delhi.
- 20.05.97: Letter to WB President Wolfensohn (42 NGOs from 12 countries)
- 04.06.97: Response by Wolfensohn
- 12.06.97: "Output Indicators" proposed by NGOs
- 30.09.97: WB response (McKechnie) to Output Indicators.
- 03.02.98: CASS to Patnelic
- 19.05.98: CASS to TM (A Christensen)
- 01.09.98: CASS to A Christensen
- 12.12.98: CASS Letter (and 24 NGOs) to WB
- 14.02.99: WB response (C Asger) to CASS
- mid 99: Efforts by CASS and Minewatch to obtain mid-term Review
- .24.07.99: CASS to Mohan
- 08.09.99: Asger to CASS
- 04.01.00: Letter on Borwa Tola evictions
- 27.01.00: To Md. Hasan
- 08.02.00: WB response to CASS on Borwa Tola evictions.
- 11.02.00: From Md.Hasan
- 22.02.00: CASS reply to WB of 8.2.001
- 4.08.00: Wall St Journal article in which WB virtually admits failure of ESMP project.

DATA on the 25 mines of CSESMP 1996 - 2005:

Company/ Mine	Land to be possessed (Ha)	Total PAPs	Tribal PAPs	Persons to be resetl'd	No IPDP villages	Total Population
CCL						
KD Hesalong	123	198	153	198	4	1952
Parej East	237	1172	487	1170	11	2913
Rajrappa	-	-	-	-	12	9714
MCL						
Ananta	0	699	0	0	0	0
Belpahar	659	4021	1121	3360	15	4068
Bharatpur	306	2547	0	1294	5	3238
Jagannath	18	2001	0	2001	6	7688
Lakhanpur	96	1030	159	880	5	1887
Samaleswari	88	1687	235	0	6	2566
NCL						
Jhingurdah	0	456	456	456	8	10843
Bina	-	-	-	-	11	3929
Dudhichua	-	-	-	-	8	2513
Jayant	-	-	-	-	10	3795
Nigahi	-	-	-	-	17	8513
SECL						
Bisrampur	300	818	301	0	16	32347
Dhanpuri	0	230	211	0	9	16243
Dipka	0	1580	1032	1302	2	2393
Gevra	0	1000	460	145	5	12688
Kusmunda	0	193	4	193	10	16333
Manikpur					8	8133
WCL						
Durgapur	-	-	-	-	4	16490
Niljai	-	-	-	-	2	2587
Padampur	-	-	-	-	5	4865
Sasti	-	-	-	-	3	6229
Umrer	-	-	-	-	7	3884
Total	1827	17632	4619	10999	189	185811

Source: CSESMP Staff Appraisal Report (No.15405-IN. April 24 1996).