



Updated Guidelines

Guidelines for Utilisation of Funds by the Special Purpose Vehicle (SPV) for Development of Lafarge-Umiam Mining Area (Updated)

1. Background

1.1 M/s. Lum Mawshun Minerals Pvt. Ltd. (LMMPL), an Indian Company, in the year 2001, obtained Environmental Clearance to their limestone mining project located in deemed forest land in the Village Nongtraï, East Khasi Hills district, Meghalaya based on a certificate that the project does not involve any forest land. In the year 2002, the Environmental Clearance and Mining Lease were transferred from LMMPL to the Lafarge Umiam Mining Private Ltd (LUMPL). In the year 2006, the LUMPL started mining operation in the said mine without obtaining prior approval of Central Government under the Forest (Conservation) Act, 1980. The Ld. Attorney General for India, during the hearing of an application filed by the LUMPL on 12.04.2010 stated before the Hon'ble Supreme Court that the Ministry of Environment Forest and Climate Change will take a decision under the Forest Conservation Act and shall consider granting permission subject to, among others, the following conditions, namely:-

(i) An SPV shall be set up under the Chairmanship of the Chief Secretary, Meghalaya with the Principal Chief Conservator of Forest., Meghalaya, Tribal Secretary, Meghalaya, Regional Chief Conservator of Forest, MoEF at Shillong and one reputed NGO (to be nominated by the MOEF) as Members.

(ii) The User Agency will deposit with the SPV a sum of Rs. 90/- per tonne of the limestone mined from the date on which mining commenced within 4 weeks of the SPV being constituted. Thereafter, such deposit will be made with the SPV every month.

(iii) The SPV shall follow the principles and procedure presently applied for utilization of CAMPA money. The account will be audited by the Accountant General, Meghalaya. The money will be kept in an interest-bearing account with a Nationalised Bank. The Accountant General and the SPV shall file an Annual Report before this Hon'ble Court detailing all the work done by it in relation to the welfare projects mandated upon it including the development of health, education, economy, irrigation and agriculture in the project area of 50 km solely for the local community and welfare of Tribals.

1.2 After hearing the matter, the Hon'ble Supreme Court in their order dated 12.04.2010 directed that the MoEF shall take a final decision under the Forest Conservation Act, 1980 for the revised environmental clearance for diversion of 116 hectares of forest land, taking into consideration all the conditions stipulated hereinabove and it may impose such further conditions as it may deem proper.

1.3 In compliance of, the Hon'ble Supreme Court's aforementioned order dated 12.04.2010, the MoEF vide fetter dated 22.04.2010 accorded in-principle/stage-I approval under section 2 of the Forest (Conservation) Act, 1980, for diversion of 116.589 hectares of forest land in favour of the LUMPL for their afore-mentioned limestone mining project at village Nongtraï in East Khasi Hills district, subject to, among others the conditions given in paragraph 1.1 above.

1.4 In compliance, the Government of Meghalaya constituted a Special Purpose Vehicle (SPV) under the name of "SPV for Development of Lafarge-Umiam Mining Development Area" (hereinafter referred to as "SPV Committee"). Amounts at the rate of Rs. 90 per metric tonne of limestone are being deposited by the LUMPL with the SPV for welfare projects mandated upon it including the development of health, education, economy, irrigation and agriculture in the project area of 50 km solely for the local community and welfare of Tribals.

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1.5 Later on, to execute the activities mandated upon the SPV, Government of Meghalaya constituted a Society under the name “Special Purpose Vehicle Society for the Development of Lafarge Umiam Mining Areas of Meghalaya” (hereinafter referred to as “SPV Society”) and registered the same with the Registrar of Societies, Meghalaya on 03.02.2012.

1.6 Hon’ble Supreme Court while hearing a matter observed that prima-facie it appears that these funds are being used for the purposes other than what was intended by the Hon’ble Supreme Court.

1.7 To address the concerns raised by the Hon’ble Supreme Court and also to ensure that SPV funds are used in an informed, transparent, expeditious and efficient manner strictly in conformity with the directions issued by the Hon’ble Supreme Court, these guidelines have been formulated.

2. General Principles Governing Use of SPV Funds

2.1 SPV funds shall be used:

- i. within the project area as defined by the Hon’ble Supreme Court;
- ii. to mitigate impacts of mining project of the LUMPL on flora, fauna and livelihood & quality of life of residents of the project area;
- iii. to accelerate the pace of implementation of the existing development programmes;
- iv. to bridge the infrastructure and development gaps which due to paucity of funds or for any other reason(s) are not likely to be bridged under the existing development programmes in the near future;
- v. to execute public utility and livelihood projects not covered under the existing development programs;
- vi. to conserve and enhance the quality of existing flora, fauna including fishes and other aquatic fauna, water regime, natural beauty, natural resources and natural environment;

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- vii. to enhance the quality of life and livelihood of local tribal communities;
- viii. to “bring a perceptible improvement in the availability of infrastructure and overall human development index (HDI) in the project area;
- ix. to usher in ecologically prudent and environmentally sustainable development;
- x. in a transparent, objective and informed manner;
- xi. in a bottom-up approach with the active role of the local community in planning, execution and monitoring; and
- xii. solely for the development of local tribal communities.

2.2 The SPV funds shall not:

- i. be a substitute for normal development funds of the State;
- ii. be a reason for the State to reduce allocation under any of the existing developmental programmes of the State within the project area as defined by the Hon’ble Supreme Court;
- iii. be used to execute those activities which may with the normal budget allocation, be executed under the existing development programmes;
- iv. be used for any activity involving the use of forest land for non-forest purpose without obtaining prior approval of Central Government under the Forest (Conservation) Act, 1980;
- v. be used for any activity involving conversion of natural forest into horticulture and other
- vi. commercial plantation crops;
- vii. be used to execute environmentally destructive and ecologically imprudent activities; and
- viii. be used for such other activity as the Central Government in the Ministry of Environment Forest and Climate Change or the State Government or the SPV Committee may stipulate.

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2.3 To ensure holistic and equitable development of the project area, the amount allocated for a single project during a year shall not be more than ten (10) percent of the total outlay of the approved annual action plan for such year. Similarly, the total amount of direct financial assistance from the SPV funds to a single household shall not exceed rupees ten lakh.

3. Negative List of Activities

SPV funds shall not be used for the following activities, namely:-

- i. creation of regular posts;
- ii. payment of salary, travelling allowances, medical expenses etc. to regular employees of the State Government or any other agency, corporation, board or authority owned, managed or controlled by the State Government;
- iii. payment of expenditure on foreign visits;
- iv. Construction of residential buildings for regular officials and staff of the State Government or any other agency, corporation, board or authority owned, managed or controlled by the State Government;
- v. Purchase of vehicles for government officials, except for the persons engaged on contract basis for supervision and monitoring of activities undertaken from SPV funds; and
- vi. Such other activity as the Central Government in the Ministry of Environment Forest and Climate Change or the State Government or the SPV Committee may stipulate

4. Sector-wise Permissible Activities

4.1 Health

- i. Construction, repair and improvement of buildings and other physical infrastructure at Community Health Centres (CHC), Primary Health Centres (PHCs) and Health Sub-Centres;

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- ii. Purchase, maintenance and operation of health check-up/investigation equipment at CHCs, PHCs and Health Sub-Centres;
- iii. Contractual engagement of doctors and para-medical staff to augment the availability of trained manpower at CHCs, PHCs and Health Sub-Centres;
- iv. Purchase, repair and operation (including contractual engagement of drivers and paramedical staff) of ambulances and mortuary vans;
- v. The organisation of health camps;
- vi. The organisation of preventive and pre-natal/post-natal health check-ups;
- vii. Provision of supplementary nutrition to adolescent girls and expectant & lactating mothers;
- viii. Sponsoring treatment at speciality hospitals and health care centres, both within and outside the State for cancer, renal transplant, liver transplant, knee/hip replacement, serious heart ailments and such other serious life-threatening diseases;
- ix. Financial assistance for construction of household toilet/sanitary blocks;
- x. Establishment, repair and maintenance of community toilets/sanitary blocks;
- xi. Such other activity as the SPV Committee may, with prior approval of State Government and the Central Government in the Ministry of Environment, Forest and Climate Change, stipulate.

4.2 Education

- i. Construction, repair and improvement of buildings and other physical infrastructure at schools and colleges;
- ii. Payment of supplementary remuneration to teachers engaged in Government unaided schools;

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- iii. Purchase and maintenance of computers, projectors and other teaching aids;
- iv. Provision of furniture at schools and colleges;
- v. Purchase, operation and maintenance of schools/college buses/vans;
- vi. Establishment, maintenance and operation of hostels;
- vii. Scholarship to meritorious students;
- viii. Establishment and augmentation of libraries;
- ix. Establishment and operation of coaching centres for meritorious students to equip them to successfully appear in competitive examinations;
- x. The organisation of sports and cultural meets;
- xi. The organisation of excursion and study trips;
- xii. Sponsoring the training of meritorious/promising sportspersons;
- xiii. Construction, repair and improvement of playgrounds, stadiums, gymnasiums, yoga centres etc.;
- xiv. Distribution of solar home lighting systems; and
- xv. Such other activity as the SPV Committee may, with prior approval of State Government and the Central Government in the Ministry of Environment, Forest and Climate Change, stipulate.

4.3 General Economy

- i. Establishment and operation of skill up-gradation and vocational training centres;
- ii. Financial assistance for promotion of apiculture, pisciculture, mushroom cultivation, handicraft etc.;
- iii. Financial assistance for the establishment and operation of incubation centres;

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- iv. Payment of eco-system services emanating from the existing natural forests in lieu of commitment of the local communities to ensure long term conservation, maintenance and, protection of such natural forests, springs and catchment areas;
- v. Afforestation of under-stocked degraded open forests, wastelands and blank areas with local species including bamboo;
- vi. Establishment, maintenance and operation of nurseries and other planting stock production centres;
- vii. Financial assistance for the establishment of food processing and other eco-friendly micro-small and medium enterprises (MSME) for value addition to bamboo and other local products;
- viii. Development of forward and backward market linkages for local products;
- ix. Construction and maintenance of roads to provide last mile connectivity and market access to agro products;
- x. Promotion of nature and natural cave based eco-tourism by construction, repair and improvement of access roads, parking lots, view-points, nature tracks, visitor amenities, signage, publicity, awareness etc.;
- xi. Financial assistance for the establishment of homestay, restaurants, hotels, resorts and other visitor amenities;
- xii. Financial assistance for the establishment of ropeways, zip lines, paragliding and other adventure sports facilities; and
- xiii. Such other activity as the SPV Committee may, with prior approval of Stale Government and the Central Government in the Ministry of Environment, Forest and Climate Change, stipulate.

4.4 Irrigation

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- i. Construction and repair of spurs, check dams, canals;
- ii. Financial assistance for the installation of micro-irrigation;
- iii. Financial assistance for installation of the bamboo-based traditional irrigation system;
Riverbank stabilisation;
- iv. Soil and moisture conservation works including construction of water harvesting structures;
- v. Such other activity as the SPV Committee may, with prior approval of State Government and the Central Government in the Ministry of Environment, Forest and Climate Change, stipulate.

4.5 Agriculture

- i. Distribution of improved quality seeds, seedlings and other plant propagules; Financial assistance for bio-fertilisers, bio-pesticides and other agri-inputs;
- ii. Financial assistance for the purchase of power tillers and other farm equipment/ implements; Financial assistance for setting up of poultry farms, pig farms, dairy farms etc.;
- iii. Financial assistance for the establishment of a network for marketing of locally produced milk,
- iv. chicken and other enterprises;
- v. Financial assistance for setting up of poly-houses, agro shade nets;
- vi. Development of market linkages for the marketing of locally produced agricultural products; Financial assistance for the planting of horticulture crops in blank non-forest areas;
- vii. Financial assistance for rejuvenation or replacement of unproductive senile plantation of horticulture crops;

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- ix. Financial assistance for the introduction of new/improved crops with adequate safeguards to
- x. prevent adverse ecological impacts; and
- xi. Such other activity as the SPV Committee may, with prior approval of State Government and the Central government in the Ministry of Environment, Forest and Climate Change, stipulate.

4.6 Community Infrastructure

- i. Establishment, repair and improvement of drinking water supply systems/networks;
- ii. Construction, repair and improvement of community halls;
- iii. Construction repair and improvement of bus stands, rain shelters, parking lots;
- iv. Construction repair and improvement of footpaths, suspension bridges, footbridges;
- v. Construction repair and improvement of drains, pavements, roadside railings etc.;
- vi. Construction, repair and up-gradation of public roads including bridges;
- vii. Installation, repair and operation of street lights;
- viii. Establishment, maintenance and operation of the public transport system;
- ix. Establishment of eco-friendly crematoriums;
- x. Establishment and capacity building of local communities for the operation of solid waste management systems; and
- xi. Such other activity as the SPV Committee may, with prior approval of State Government and the Central Government in the Ministry of Environment, Forest and Climate Change, stipulate.

4.7 Monitoring, Evaluation and Administrative Expenses

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Apart, not exceeding ten (10) percent of net interest accrued on the SPV funds during a financial year, may be used for monitoring and evaluation of works executed from the SPV funds and to incur administrative and other day to day expenses of the SPV Committee and the SPV Society during the next financial year. Such expenditure may include:

- i. Monitoring and evaluation of activities undertaken from SPV funds;
- ii. Payment of monthly remuneration to a bare minimum number of persons engaged by the SPV Committee and the SPV Society on a contract basis to plan, supervise and monitor various activities to be undertaken from SPV funds and to provide assistance to Chief Executive Officers of the SPV Committee and the SPV Society in performance of their day to day duties relating to utilisation and management of SPV funds;
- iii. Purchase or hiring of vehicles to be utilised by the persons engaged by SPV Committee and SPV Society on contract basis in the performance of their assigned duties;
- iv. Expenditure on undertaking tours in connections with the affairs of the SPV Society and SPV Committee by the respective CEOs and persons engaged on a contract basis by the SPV Society
- v. and the SPV Committee;
- vi. Purchase of computers, computer accessories, office equipment, furniture, stationery and other consumable items for day to day running of the office of the SPV Society and the SPV Committee;
- vii. The organisation of meetings, conferences, seminars and awareness campaigns;
- viii. Payment of consultancy charges for preparation of perspective plans, annual plans, architectural and structural design of facilities to be created from SPV funds;
- ix. Payment of consultancy charges for creation and maintenance of website and other databases etc.

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- x. payment of rent, electricity and telephone bills for the office of the SPV Society and the SPV Committee;
- xi. financial assistance to village/elaka level institutions involved in planning, execution and monitoring of activities from SPV funds;
- xii. audit of accounts of the SPV Committee and the SPV Society; and
- xiii. such other activity as the SPV Committee may; with prior approval of State Government and the Central Government in the Ministry of Environment, Forest and Climate Change, stipulate.

5. Strategy for Identification and Prioritisation of Activities

5.1 To ensure identification and prioritisation of welfare projects from the SPV funds in an informed and transparent manner, and also to ensure real-time scientific monitoring of such projects, necessary actions have been initiated to develop a GIS-based decision support system (DSS) with the help of North Eastern Space Application Centre (NESAC), Department of Space, Government of India.

5.2 The system will contain information relating to land use, land cover, topography, hydrology, demography, soil and public infrastructure available within the mandated area.

5.3 Year-wise details of activities undertaken from these funds as well as by other developmental agencies will also be available in the said DSS.

5.4 The DSS will help SPV Society and the SPV Committee to assess and prioritise the infrastructure gaps and developmental needs which may be filled up by using SPV funds objectively and transparently. It will also help the SPV Society and the SPV Committee to plan and execute scientific monitoring of activities to be undertaken from the SPV funds.

5.5 The exact nature and extent of activities in conformity with these guidelines to be undertaken in the mandated area during a year will be decided in consultation with the local communities and other stakeholders with the help of the said DSS.

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