

Coal Auctions: National wealth to foreign sharks

During the pandemic lockdown, the Ministry of Environment, Forest and Climate Change has been showing never seen eagerness and working in top gear to clear projects. It is clear the due process of examining the impact of proposal cannot be undertaken due the restrictions in place during the lockdown.

The Ministry issued a Draft Notification on Environmental Impact Assessment (EIA) for public consultation in June. The earlier EPA (1986) and the existing EIA Notification initially issued in 1994, then in 2006 and the many amendments issued since then had fatal flaws, main one being consultation with the affected people, as is evident from the track record of its gross failure to protect the interests of people as well as the bio-ecosystem. The “new” Draft-2020, rather than engaging with this grave issue, from its constitution to its functioning has by-passed and blocked all space for consultation with affected people of the impacted zones. The Draft has been sprung on the people when the Covid19 pandemic is raging to its maximum level; when people are living the trauma of death, mourning, committing suicides, starving; when lockdowns and serious travel restrictions are all around and there is a massive disruption of communication and life. Moreover, besides this, in the areas where most of the projects like mining, Hydel power and so on are located, usually far away from the urban centres where the communication is difficult even in normal times, it has surely worsened in the present, therefore expecting people from these areas to respond to the EIA Draft exposes the government’s hypocrisy to the utmost.

In this period, along with the dilution of EIA, the Ministry ensured that the National Board for Wildlife issued a host of clearances, proposed the denotification of the Vedanthangal Bird Sanctuary near Chennai, cleared the construction of the Hubballi-Ankola railway line through the Western Ghats and, in its latest move, worked on the auction of coal blocks in forest areas.

On June 19, Prime Minister Narendra Modi launched the process of auctioning 41 coal blocks of coking and non-coking coal reserves for commercial mining. The blocks are in the forest areas of Madhya Pradesh (11 blocks), Maharashtra (3), Jharkhand, Odisha and Chhattisgarh (9 each). The 41 prospective mines, seven of which are totally new blocks, hold about 16,980 million tonnes of coal and are expected to bring in Rs.33,000 crore of capital investment for India. Despite the token mention of the environment, it is clear that it will be the private players (meaning foreign) who bid for the blocks that will benefit. Many concessions are given to investors. This is the first time that coal blocks will be auctioned through the newly created market-determined revenue-sharing model, which sets aside the old model in which there was a fixed fee per tonne. The other concession is that there are no end-use restrictions, which means investors can trade the coal in the market and will not be restricted to using it for a government-designated purpose. The government has also not insisted that bidders have any prior experience in this sector and has initiated the land acquisition process and has already acquired land in 12 cases.

The day after the auction was launched, the Jharkhand government petitioned the Supreme Court challenging the Centre’s decision to proceed with the auction. And three days after that, the governments of Chhattisgarh and Maharashtra also raised objections.

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