

PRESS RELEASE

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iFOREST releases study on unlocking District Mineral Foundation (DMF) funds for DRE investments in rural Jharkhand to enhance socio-economic opportunities

- **iFOREST released a report on ‘Unlocking DMF funds to enable Clean Energy for Social Infrastructure and Livelihood in Rural Jharkhand’ in Ranchi.**
- **Assessment of energy needs in five top mining districts highlights persistent electrification and power supply gaps, and its impact on quality of services and productivity.**
- **Solarization provides a technically and financially effective solution for addressing the immediate energy requirements; funding support is needed for scale up.**
- **DMF funds is an important source of money that districts can use to for solarization of social infrastructure - schools, Anganwadi centres, health centres; and livelihood sectors. This will improve development indicators and also create jobs.**
- **The mining districts of Jharkhand can design and implement a comprehensive ‘Clean Energy for Social Infrastructure and Livelihood’ programme that can help improve socio-economic scenario of the districts, support clean energy growth as well as create jobs for rural population.**

Ranchi, Jharkhand: The International Forum for Environment, Sustainability and Technology (iFOREST) released its latest report to support major mining districts of Jharkhand in planning integration of distributed renewable energy (DRE) into the existing social infrastructure and livelihood sectors to enhance quality of services, productivity and scalability of operations. The study highlights that District Mineral Foundation (DMF) funds can be used to support this.

DMF Trusts are there in every mining district to work for the socio-economic upliftment of mining-affected communities. The money of DMF comes from payments by mining companies operating in the districts. Currently Jharkhand has over Rs. 8,600 crores in DMFT, the third largest in India, after Odisha and Chhattisgarh.

iFOREST report suggests that integrating energy in the district’s socio-economic infrastructure should be prioritised under DMF spending, because of the persistent electrification gaps and due to the fundamental role of electricity in catalyzing change. DMF, being a locally grounded body, can help create an effective ecosystem that ensures sustainability of DRE investments in the remotest of locations.

The report was released in Ranchi in the physical presence of Shri Bishnu C Parida, Chief Operating Officer, Jharkhand State Livelihood Promotion Society and the virtual presence of Ms. Nancy Sahay (IAS), Deputy Collector, Hazaribagh, Government of Jharkhand. The discussion meeting was attended by a multi-stakeholder group including Jharkhand Renewable Energy Development Agency (JREDA), DMF representatives, civil society, solar power developers, DRE investors, academics and other experts.

iFOREST based its recommendation on an indicative energy needs assessment study focused on five mining districts of Jharkhand – Chatra, Dhanbad, Hazaribagh, Ramgarh and West Singhbhum. These districts collectively account for nearly three-fourths of Jharkhand’s total DMF accruals, and have widespread multidimensional poverty.

“We conducted 258 interviews in the five districts focusing specifically on representatives of Anganwadi centers, health centers, schools, farmers, agri-based micro-enterprises, and *panchayats* to assess the current power supply situation, key electricity-dependent requirements and existing experience with DRE applications,” informed Mandvi Singh, Programme Lead, Energy and Climate Change at iFOREST and the lead author of the research report.

“It is apparent that there is sub-optimal electrification and power supply deficit which is leading to basic challenges of lighting, cooling and water availability at health, education and nutrition centres, rendering operations difficult and, at times unviable. There is a clear unanimity emerging on the potential of improved electricity supply in improving the quality of services and productivity,” she explained

While DRE solutions like solar rooftop, solar water pumps for irrigation and drinking water, minigrids etc. are already playing an important role in rural Jharkhand, their deployment needs to be scaled-up several-folds. DMFs, as non-profit trusts dedicated towards socio-economic upliftment, are ideally placed to mobilise investments towards solarisation of critical social infrastructure and livelihood segments.

Dr. Srestha Banarjee, Director, Just Transition at iFOREST explained, “While energy is currently an ‘other priority area’ for DMF spending, it is vital supplementing investments in several priority areas and improving service delivery. This includes, healthcare, education, child development, livelihood, which are critical issues for mining affected areas. DMFs can adopt a cluster approach to cover these sectors through DRE. This will also help achieve economies of scale that supports reduction in costs. It will help build an ecosystem for solar investments and creation of green jobs, which is also important for an energy transition.”

Speaking at the occasion virtually, Ms. Nancy Sahay (IAS), Deputy Collector, Hazaribagh said, “there is a huge scope of making investments in DRE, as electricity supply has been a major problem. This is impacting the capability of the government machinery from delivering the required social services. But clarity on implementation SoP is needed for integration.”

Shri Bishnu C Parida, Chief Operating Officer, JSLPS who released the report pointed out, “DMF can play an important role in supplementing DRE spending. But for ensuring sustainability, collective engagement is important. It is also important to ensure that optimization of these assets through proper designing of solutions.

iFOREST report suggests that DMFs should plan and rollout a comprehensive Clean Energy for Social Infrastructure and Livelihood (CESIL) programme which targets to set up 100 solar villages, solarize all health, nutrition and education centers, deploy 1,000 off-grid solar water pumps as well as create 150 solar entrepreneurs by providing capacity building and seed funding support. The programme in its entirety would lead to substantial solar capacity addition in each district, ranging from 12 MW to 18 MW of solar capacity. The investment requirements would range from Rs 94 crores to Rs 132 crores, which is only a small component of the DMF accruals in each of the major mining districts.

Key findings of indicative energy needs assessment study:

- In case of social-infrastructure, nearly 36 per cent of the randomly surveyed Anganwadi centers, 23 per cent of health centres and 20 per cent of schools are lacking grid-connection or active connection, at the time of visit. The mean daily power supply in rural areas was reported to range from 6-18 hours. Majority of the centers reported facing regular operational challenges due to the power supply scenario. Electrification and supply gaps were seen to be higher in Chatra, Dhanbad and West Singhbhum, which have the highest share of DMF funds.
- In Agriculture, nearly 80 per cent of land still rainfed and the reach of the agriculture feeder remains weak. Nearly 60 per cent of the electric pump using surveyed farmers reported to be dependent on single-phase village feeder line which suffers from major supply irregularities and voltage issues. More than half the surveyed farmers were dependent on diesel, and were majorly concerned about the rising fuel cost.
- In case of agri-based microenterprises, 91 per cent of the surveyed businesses had grid connection, while only 40 per cent were dependent on grid supply for operations. These were largely micro-scale poultry and dairy units with minimal power dependence. However, nearly all grinding, hulling, processing and fishery related businesses were using diesel-run motors and were concerned about rising fuel costs.

About iFOREST

International Forum for Environment, Sustainability & Technology (iFOREST) is an independent non-profit environmental research and innovation organisation. Set up by a group of renowned scientists and environmentalists, it seeks to find, promote and scale-up solutions for some of the most pressing environment–development challenges. It endeavours to make environmental protection a peoples’ movement by informing and engaging the citizenry in important issues and programs. iFOREST is providing technical support to the Ministry of Mines, Jharkhand for DMF implementation in the state.

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