

Protection of forests is accorded special attention in India. Of the 75 million hectares officially defined by the Government as forest, only 64 million ha. sustains actual forest cover, and of this only 35 million ha., or 11 per cent of the total land area, has adequate cover. The objective of national Forest Policy is to maintain one-third of the country under forest cover. Forests in India are a vital source of firewood and fodder, and are integral to the village lifestyle. Reforestation is accorded very high priority.

Approval for mineral development in forested areas is considered difficult to obtain by the Indian mining industry. The Forest Conservation Act, 1988 restricts deforestation for non-forest purposes without approval from the Ministry of Environment and Forests. This Act is something akin to the Canadian fisheries legislation in that it alone can be sufficient to prevent a project from proceeding.

The second major land access issue is the provision in the Minerals and Metals (Regulation and Development) Act which states (Section 6(1)) that:

"no person shall acquire in respect of any mineral or prescribed group of minerals (a) one or more prospecting licences covering a total area of more than 25 square kilometres; or (b) one or more mining leases covering a total area of more than 10 square kilometres: provided that if the Central Government is of opinion that in the interests of the development of any mineral, it is necessary so to do, it may, for reasons to be recorded by it, in writing, permit any person to acquire one or more kilometres, or (b) one or more mining leases covering a total area of more than 10 square kilometres: provided that if the Central Government is of opinion that in the interests of the development of any mineral, it is necessary 50 to do, it may, for reasons to be recorded by it, in writing, permit any person to acquire one or more prospecting licenses or mining leases covering an area in excess of the aforesaid area".

These caps on prospecting and lease areas are low by international standards. They reflect the realities of a densely populated country where industrial and mineral development has the potential to disrupt large numbers of people. However, this restriction has proven to be a significant impediment to implementation of the 1993 mining reforms.

The Government of India is well aware of this issue. It featured in the regional seminars held in 1994, and has been an issue in bilateral discussions with prospective investors. As an outcome of the seminars, the Ministry of Mines established a Working Group, involving the Federation of Indian Mineral Industries, with a mandate to develop new regulations governing the maximum permissible area of land for prospecting.

At the time of writing (May 1995), the Working Group looking at land area for prospecting has completed its work, and recommendations have been made to the government. Preliminary indications are that new regulations, substantially increasing the maximum permissible area available for prospecting, are to be released shortly.