



खान मंत्रालय
MINISTRY OF
MINES

National District Mineral Foundation Workshop

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Background and Overview

Objective of the Workshop

The second National District Mineral Foundation (DMF) Workshop was held on July 9, 2025, with the primary objective of fostering cross-learning among States and Districts, enhancing the capacity of officers responsible for implementation, and promoting the effective execution of the revised Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) Guidelines. The workshop witnessed participation from over 300 individuals, including key stakeholders such as representatives from Central and State line ministries, the Comptroller and Auditor General (C&AG), State Nodal Officers, District Collectors from major DMF districts, non-profit organizations, and members of the press.

Overview of Sessions

The seminar commenced with inaugural addresses by senior officials, including the Hon'ble Union Minister of Coal and Mines, Shri G. Kishan Reddy, and the Hon'ble Minister of State for Coal and Mines, Shri Satish Chandra Dubey. A key highlight of the event was the launch of operational guidelines for the Aspirational DMF Programme—an initiative by the Ministry of Mines aimed at prioritizing the growth and holistic development of aspirational blocks through targeted DMF interventions. Additionally, a Coffee Table Book showcasing best practices across DMFs was unveiled during the event.

This was followed by a felicitation ceremony recognizing states in two categories. Goa, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Odisha, Rajasthan, and Telangana were acknowledged for incorporating the revised PMKKKY Guidelines, 2024, into their State DMF Rules. Furthermore, Chhattisgarh, Gujarat, Karnataka, Tamil Nadu, and Uttarakhand were recognized for achieving over 90% compliance in conducting and reporting statutory audits from inception through 2023–24.

The workshop centered around several key themes, including an overview of DMF and its progress to date, audits of DMFs, transparency and compliance in DMF operations, innovative approaches to DMF implementation, challenges encountered and the way forward, and capacity building for effective planning and execution.

The workshop also featured an exhibition of Self-Help Groups supported by the DMF, held at the Handloom Haat in Janpath, Delhi. The exhibition showcased a diverse range of handmade products, reflecting the creativity and entrepreneurial spirit of the participating Self Help Groups (SHG) supported by DMF's from various sectors. It provided a valuable platform for these groups to display their work, connect with a wider audience, and explore new market opportunities.



Key Highlights of the Workshop

Inaugural Session

Welcome Remarks by Shri Sanjay Lohiya, Additional Secretary, Ministry of Mines.

Shri Sanjay Lohiya, Additional Secretary, Ministry of Mines, delivered the inaugural address for the National DMF Workshop 2025 by highlighting the pivotal role of DMF in fostering social equity and decentralized development in mining-affected regions. He underscored the impressive mobilization of over ₹1.07 lakh crore and the completion of 2.1 lakh projects, demonstrating substantial impact in high priority sectors such as health, education, livelihoods, etc.

He reaffirmed the Ministry's commitment to supporting DMF implementation through policy reforms, digital tools like the National DMF Portal, and the revised PMKKKY Guidelines of 2024, which emphasize high-priority sectors. While acknowledging existing challenges, he advocated for collaborative problem-solving and encouraged participants to view DMFs as instruments of justice and inclusive growth.

Keynote Speech by Shri V. L. Kantha Rao, Secretary, Ministry of Mines.

Shri V.L. Kantha Rao, Secretary, Ministry of Mines emphasized the significance of the District Mineral Foundation (DMF) as a transformative mechanism for channeling mining revenues directly to districts for the welfare of mining-affected communities. He highlighted DMF as a unique legislative construct where the central government enacts mining laws, but the benefits—especially financial—accrue directly to the states and districts. A key feature is the direct transfer of 10% of mining royalties to the district DMF account, enabling immediate and localized action. The collector, as the chairman of the DMF, is empowered to utilize these funds for development in mining-affected areas.

He noted that over ₹1 lakh crore has been collected under DMF across 646 districts, with ₹90,000 crore sanctioned and ₹60,000 crore already spent. While acknowledging the excellent work done by many collectors, he also addressed recurring complaints such as delays in meetings, lack of transparency in project selection,

and underutilization of funds in some states. To address these, he encouraged states to update their DMF rules based on the 2024 PMKKKY guidelines. The Secretary stressed the importance of peer learning and collaboration, especially with about 60 collectors and over 160 district represented, and urged them to use the workshop to share experiences and develop a future work plan to improve DMF implementation.



**Shri Sanjay Lohiya, Add. Secy.
Ministry of Mines**



**Shri V. L. Kantha Rao, Secretary,
Ministry of Mines**

Address by Shri Satish Kumar Dubey, Hon'ble Minister of State for Coal and Mines, Govt. of India

Shri Satish Kumar Dubey, Hon'ble Minister of State for Coal and Mines, Govt. of India highlighted the transformative potential of the District Mineral Foundation (DMF) as one of India's most powerful mechanisms for community development in mining-affected areas. He acknowledged the environmental and social challenges faced by local populations due to mining and emphasized the government's commitment to addressing these through DMF. The initiative, inspired by the Hon'ble Prime Minister's vision, aims to make mining-affected communities self-reliant and ensure that DMF funds are spent within defined areas and radii for maximum impact.

He stressed the importance of inclusive decision-making by involving elected representatives, self-help groups, youth groups, and village assemblies. The speech encouraged collaboration and inter-state learning, noting that good practices from one region should be adopted by others. The workshop was described as a platform for reflection, idea exchange, and strategic planning, with the goal of improving DMF implementation and aligning efforts with the national vision of a strong, self-reliant India..



Felicitation Session

The workshop also featured a felicitation ceremony recognizing states for their exemplary contributions to the implementation of the District Mineral Foundation (DMF) framework. **States were acknowledged for two major achievements:**

- First, for **incorporating the revised Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) Guidelines, 2024 into their respective State DMF Rules**, the following states were felicitated: Goa, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Odisha, Rajasthan, and Telangana.
- Second, recognition was given to states that demonstrated **over 90% compliance in conducting and reporting statutory audits from the inception of DMF to the financial year 2023–24**. The awardees in this category included Chhattisgarh, Gujarat, Karnataka, Tamil Nadu, and Uttarakhand. These recognitions highlighted the commitment of states to transparency and accountability in DMF operations.

Launch of Coffee Table Book 2.0 and the 'Aspirational DMF Programme' Operational Guidelines

The dignitaries formally launched the DMF **Coffee Table Book 2.0**, titled “**Stories of Progress and Pride.**” This publication serves as a visual and narrative showcase of the transformative work being carried out in mining-affected districts across India. It highlights the **flagship programs implemented under the District Mineral Foundation (DMF) framework** and documents the best practices adopted by various states to improve the lives of communities impacted by mining.

The book also captures the interventions made under the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY), focusing on how these efforts address the developmental challenges in regions affected by mining operations. It reflects the collaborative efforts of the Ministry of Mines, state governments, and district administrations in translating policy into tangible socio-economic benefits at the grassroots level.

Following the book launch, the **Aspirational DMF Programme Guidelines** were also unveiled. These guidelines aim to standardize and elevate the quality of DMF implementation across districts by promoting innovation, transparency, and measurable outcomes.

The launch marked a significant step toward institutionalizing excellence in DMF governance and ensuring that the benefits of mining are equitably shared with the communities most affected.



Launch of *Coffee Table Book 2.0* by Dignitaries



Launch of *Aspirational DMF Programme Operational Guidelines* by Dignitaries

Remarks by Shri Kishan G. Reddy, Hon'ble Minister of Coal and Mines, Govt. of India

The national workshop commemorating the 10-year anniversary of the District Mineral Foundation (DMF) was marked by a keynote address from Shri Kishan G. Reddy, Hon'ble Minister of Coal and Mines, Govt. of India, who underscored DMF's pivotal role in channeling mining benefits to affected communities. Established in 2015 under the MMDR Act, DMF has now been implemented across 646 districts, with over ₹1 lakh crore collected and ₹90,000 crore allocated to development initiatives.

The Minister reflected on India's strides toward self-reliance in the coal and mineral sectors, citing the milestone of producing over 1 billion tons of coal—positioning India as the world's second-largest producer and consumer. He noted a significant decline in coal imports since 2014, aligning with national goals to reduce import dependency.

India's growing engagement in global mineral diplomacy was also highlighted, with strategic collaborations underway with countries such as Argentina, Brazil, and Namibia. The Minister referenced initiatives like the Trust Initiative with the USA, aimed at securing critical minerals.

Three key policy priorities were outlined during the address:

- Integration of DMF with flagship welfare schemes including Jal Jeevan Mission, Ayushman Bharat, and PM Housing.
- Transparency and public participation through robust project tracking mechanisms.
- Sustainable development via ecological restoration and promotion of forest-based livelihoods. Emphasizing environmental accountability, the Minister called for responsible mine closure practices and stricter enforcement against illegal mining and royalty evasion. He urged mining companies to uphold their environmental responsibilities.

In conclusion, the Minister reaffirmed the government's commitment to inclusive growth and cooperative federalism, positioning DMF as a transformative tool for communities impacted by mining. He encouraged district officials to provide feedback to refine DMF guidelines and enhance implementation effectiveness.



**Shri G. Kishan Reddy,
Minister of Coal and Mines**

Presentation by Ministry of Mines on the Overview of DMF Issues and Updates

Shri Dinesh Mahur, Joint Secretary, Ministry of Mines, delivered a comprehensive presentation on the District Mineral Foundation (DMF), reflecting on its evolution over the past decade and outlining the challenges, opportunities, and way forward. He emphasized that DMF, now ten years old, has matured and must operate with greater accountability and strategic focus. DMF receives 10% royalty from auctioned mines and 30% from non-auctioned mines, functioning to benefit people and areas affected by mining, as guided by the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY). He acknowledged the substantial progress made, including the effective use of ₹1,500 crore during the COVID-19 pandemic for health and livelihood initiatives. DMF is currently active in 646 districts across 23 states, with all states having adopted the 2015 guidelines, but only eight having incorporated the revised 2024 guidelines into their state rules.

The 2024 guidelines introduce several key reforms: mandatory allocation of at least 70% of funds in directly affected areas, audit of DMF accounts by the Comptroller and Auditor General (CAG), and clear demarcation of directly and indirectly affected zones. Shri Mahur stressed the importance of linking DMF with the Aspirational District and Block Programmes and urged district collectors to implement these in a timely and focused manner. He highlighted the introduction of a three-tier grievance redressal mechanism and called for the establishment of

State-Level Monitoring Committees (SLMCs) for better oversight. He warned that non-compliance with the new guidelines—including improper fund use, lack of audits, and poor transparency—could result in suspension of DMF funding.

New provisions also mandate the participation of public representatives in Governing Council meetings and strictly prohibit diversion of DMF funds to unrelated sectors or geographies. Shri Mahur identified several implementation gaps, such as slow adoption of revised guidelines, failure to spend at least 70% of funds in high-priority areas, delays in audits and reporting, and weak convergence with other government schemes. As of April 2025, over ₹1.08 lakh crore had been collected under DMF, with ₹90,000 crore sanctioned and ₹57,000 crore spent. However, concerns remain over fund transfers to unrelated accounts, prompting the Ministry to request closing balances from all districts.



He noted that among the top 10 DMF-collecting districts, three are from Odisha, two each from Jharkhand and Chhattisgarh, and one each from Madhya Pradesh, Rajasthan, and Karnataka—together accounting for nearly 50% of total DMF collections. Many districts are not maintaining the prescribed 70:30 expenditure ratio between high-priority and other sectors, and several have not conducted mandatory audits. The Joint Secretary highlighted that guidelines for Aspirational DMF Programme and outlined the roles of Centre, State, District, and Block levels in their implementation. He highlighted three major challenges: incorporating central guidelines into state DMF Rules, monitoring adherence and execution at ground level, and fully implementing PMKKKY's core principles including identification of affected areas and people, public participation, transparency, audit compliance, and convergence.

He further, mentioned that despite the launch of the DMF portal in 2024, many states are not updating it regularly, leading to discrepancies between online and offline reports. Districts were urged to ensure real-time data updates. In his concluding remarks, Shri Mahur emphasized that DMF is equity-based, not equality-based, and is designed to uplift mining-affected communities by providing them with opportunities to grow and compete on a level playing field.

Presentation by CAG representatives regarding Audit of DMF

The presentation by Ms. Rashmi Agarwal, Director General, the Comptroller and Auditor General (C&AG), provided a comprehensive audit perspective on the functioning of District Mineral Foundations (DMFs) and the implementation of the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY).

She began by outlining the legislative and policy framework under which DMFs were established, emphasizing their role in channeling mining revenues toward welfare and development initiatives for communities affected by mining activities. The audit was initiated in response to concerns about fund utilization, transparency, and accountability, especially given that DMFs manage over ₹1 lakh crore in public funds, which remain outside the formal public accounts system.



Ms. Rashmi Agarwal, Director General C&AG

Ms. Agarwal highlighted that the revised 2024 guidelines now mandate CAG audits of DMF accounts, supplementing earlier audits by Chartered Accountants. However, adoption has been uneven—only eight of twenty-three states have implemented the guidelines, and just five have completed satisfactory audits. DMF fund utilization remains low at around 53%, with many states failing to conduct baseline surveys or prepare essential planning documents.

She presented that the audit revealed financial and governance issues, including inconsistent collection rates, poor reconciliation, and funds parked in intermediary accounts. Instances of fund diversion and weak convergence with other schemes were noted. Participation of Gram Sabhas was limited, and many states lacked proper governing councils and planning committees. Monitoring was irregular, and grievance redressal and transparency measures were largely absent. Governance issues were also prominent. Participation of Gram Sabhas and local bodies in planning was found to be lacking, and many states had not constituted the required governing councils and planning committees. District Collectors were not consistently in leadership roles, contrary to the intent of the guidelines. Monitoring mechanisms were weak, with irregular meetings and poor documentation of decisions. Grievance redressal systems were absent in many districts, and transparency measures such as public disclosures and social audits were rarely implemented.

Ms. Agarwal called for stronger convergence with schemes in water, sanitation, and housing, clearer guidelines to avoid duplication, and adoption of best practices like online fund tracking and public awareness initiatives. She concluded with a call for improved oversight, planning, and transparency to ensure DMFs benefit mining-affected communities.

Address by Additional Secretary, Ministry of Panchayati Raj

At the workshop, Shri Sushil Kumar Lohani, Additional Secretary Ministry of Panchayati Raj emphasized the importance of bottom-up planning for effective local governance. He highlighted the Ministry's initiative to simplify the 17 Sustainable Development Goals (SDGs) into 9 actionable themes—such as Poverty-Free, Healthy, and Clean & Green Panchayats—to guide Panchayat-level planning. He encouraged District Collectors to align District Mineral Foundation (DMF) fund allocations with these thematic plans, ensuring projects are inclusive, participatory, and sustainable.

To support monitoring, he shared that the Ministry conducts an annual Panchayat Advancement Index survey, scoring Panchayats across the 9 themes. The goal is for each Panchayat to reach a score of 90 or above, with data made publicly available on the portal (pai.gov.in) to aid informed decision-making. This framework enables targeted, data-driven development and accelerates progress toward achieving the 2030 SDG targets.



Presentation by Shri Sushil Kumar Lohani

Presentation on Theme 1: DMF Transparency and Compliance

Overview

The session focused on strengthening the governance, transparency, and efficiency of the District Mineral Foundation (DMF) framework. It was structured around five core themes: DMF Portal & Public Disclosures, Audit Mechanisms & Reporting, Financial Control & Fund Governance, Transparency Guidelines, and Institutional Oversight & Governance. Each element addressed current practices, identified gaps, and proposed actionable recommendations to improve DMF operations across districts.

The presentation was delivered by Convenor: Shri Vishal Singh, District Collector Keonjhar and the Thematic Group comprise of District Collector Dantewada, District Collector Chaibasa, District Collector Chandrapur and District Collector Udaipur.

Key highlights

- **DMF Portal & Public Disclosures:** The session emphasized the importance of a unified digital DMF portal for real-time tracking and lifecycle management of projects. Seamless integration between national and state-level portals was recommended to ensure consistent data flow.

Concerns were raised about inconsistent reporting and missing beneficiary data. To address these, the group proposed incorporating performance indicators, civil engagement tools, and QR-coded project signage to enhance transparency and citizen participation. **Union Minister Shri G. Kishan Reddy stressed the need to raise awareness through success stories and social media, aligning DMF visibility with broader government priorities.**

- **Audit Mechanisms & Reporting:** Audit practices across DMF districts were found to be irregular and lacking standardization. Several states have not uploaded audit reports, and delays in publishing findings were common. To improve accountability, dual-layer audits—covering financial and social aspects—were recommended, along with digital audit trackers and unified compliance portals. The session also proposed linking audit findings to future planning cycles for better fund utilization.
- **Financial Control & Fund Governance:** While DMF financial controls were generally robust—with dedicated bank accounts and strict fund diversion prohibitions—operational delays due to offline systems and misalignment between physical and financial progress were noted. Recommendations included transitioning to digital workflows, adopting milestone-based payment systems, and exploring blockchain integration for tamper-proof tracking and real-time error detection.



Presentation by Shri Vishal Singh, District Collector Keonjhar

- **Transparency Guidelines:** Despite existing mechanisms for public disclosure, implementation remains inconsistent. Few districts had active grievance redressal systems or GIS-linked project maps. To improve transparency, the session proposed developing district-level transparency rankings, digitizing field visit reports, and using QR-coded signage for public visibility. The discussion also called for better engagement with mining companies and standard protocols to improve compliance and revenue collection.
- **Institutional Oversight & Governance:** Governance structures such as Trust Boards and Governing Councils were found to be underperforming due to irregular meetings and delayed release of minutes. Gram Sabha approvals were frequently bypassed, and social audits were not mandated. To strengthen grassroots involvement, the session recommended video-recording Gram Sabha meetings, setting up digital suggestion booths, and using participatory planning tools like community scorecards. **District officials shared best practices such as GIS mapping in Nagpur and centralized planning in Gujarat, supported by SLMC oversight.**
- **Evidence-Based Planning & Monitoring:** The use of baseline surveys, perspective plans, and scientific mapping was recommended to improve project targeting. **The Secretary advocated compiling district-level innovations and monitoring strategies for wider circulation.** He emphasized the need for institutional capacity-building and district-level action to ensure effective DMF implementation. He also emphasized shared responsibility and encouraged district collectors to contribute ideas and experiences to strengthen monitoring.

Summary Of Key Recommendations Made By The Thematic Group

Integration of State DMF Portal with National DMF Portal

- Link State and National portals via APIs for real-time data sync.
- Add GIS maps showing directly/indirectly affected areas by blocks and constituencies.
- Display district-wise High vs. Other Priority project ratios.
- Share common operational gaps to guide other districts

Financial Control and Fund Governance

- Use blockchain for secure, tamper-proof financial tracking.

Audit Mechanism

- Introduce third-party audits beyond statutory CA checks.
- Mandate social audits and external evaluations every 2 years.
- SLMC to form Audit Sub-Committee for regular district-level audits.
- Conduct social impact audits for project effectiveness.

Transparency Guidelines & Parameters (PMKKKY-Aligned)

- Publish audit reports on portal for corrections.
- Share reasons for project rejections.
- Create grievance module with submission, tracking, and resolution dashboards.
- Maintain public dashboards showing grievance status and DMF progress.

Presentation on Theme 2: Innovations in DMF Implementation and Governance Mechanisms

Overview

The session on Innovations in DMF (District Mineral Foundation) explored innovative strategies and governance frameworks adopted by mineral-rich districts to enhance the impact of DMF funds. The discussion emphasized successful models, cross-scheme convergence, and scalable project ideas. It also spotlighted innovations that empowered communities, particularly women, while ensuring sustainable outcomes.

The presentation was delivered by Convenor: Shri Chandrashkhar Shukla, District Collector Singrauli and the Thematic Group comprise of District Collector Cuddlore, District Collector Ballari, District Collector Sonebhadra and District Collector Bokaro.

Key highlights

- **Best Practice Sharing:** The presentation featured best practices from districts like Sonebhadra, Bokaro, Ballari, and Singrauli showcasing innovative uses of DMF funds. Sonebhadra and Bokaro focused on women's empowerment through skill development in areas like mushroom cultivation, soap-making, and handloom training, linking SHGs to income-generating opportunities. Singrauli introduced VR Labs in 20 government schools to enhance STEM learning, demonstrating how technology can improve education outcomes in remote areas. These examples highlight the impact of community-driven and convergent planning.
- **Governance and Fiscal Discipline:** The discussion revolved around whether high-performing DMF districts were equally diligent in fiscal governance. In response, DC Singrauli shared that the district earmarks a portion of DMF funds specifically for compliance, including timely audits and regular monitoring meetings. The Secretary, Ministry of Coal and Mines, reinforced that DMF must uphold equity and governance standards, especially when supplementing schemes that fall short in addressing the needs of mining-affected communities.



Presentation by Shri Chandrashekhar Shukla, DC Singrauli

- **Convergence for High-Impact Delivery:** The session emphasized the strategic alignment of DMF planning with central missions to deliver community-centric outcomes. Additional convergence models were discussed, including a millet-based value chain initiative integrating DMF, NRLM, Agriculture, and Tribal Welfare departments. This model supports SHGs and FPOs with training, certification, and market linkages to improve nutrition and rural incomes.
- **Equity-Oriented Planning and Inclusive Coverage:** A participant questioned DMF's additionality in the presence of existing schemes. It was clarified that DMF operates with a gap-filling and equity-oriented approach, ensuring tangible benefits reach every individual in mining-affected areas. Supporting this, the CEO, Zila Parishad, cited the use of DMF funds to connect small, remote settlements excluded from broader infrastructure projects—demonstrating inclusive development.
- **Clarifications on Fund Usage and Flexibility:** A query from Maharashtra regarding the use of DMF funds for cost overruns in farm pond construction was addressed by the Secretary, Ministry of Coal and Mines. He affirmed that DMF is designed to address special needs and can be used to supplement existing schemes when allocations are insufficient, provided the interventions benefit mining-affected communities.

Summary Of Key Recommendations Made By The Thematic Group

Community-Centric and Data-Driven Planning

- Projects must address real community needs using data-driven assessments.
- Identify gaps to avoid duplication and improve targeting.
- Empower local stakeholders, NGOs, and PRIs to enhance ownership and sustainability.
- Special focus on Scheduled Areas and aspirational districts for inclusive development.

Integrated Governance and Partnerships

- Build integrated DMF management systems to streamline delivery and prevent overlap.
- Collaborate with tech partners, academia, and NGOs for innovation.
- Ensure convergence with key departments for maximum impact.

Sustainable and Impact-Oriented Development

- Shift focus from infrastructure to outcomes in health, education, and skills.
- Promote renewable energy, water solutions, and durable asset creation.
- Align with SDG goals to reduce poverty and empower communities.

Digital Systems and Monitoring

- Use digital platforms for project proposals, approvals, fund tracking, and geo-tagging.
- Enable centralized, public access to project data for transparency.
- Real-time monitoring and state-level oversight to improve accountability and efficiency.
- Adopt a lifecycle approach for better project management.

Presentation on Theme 3: Challenges Faced and Way Forward

Overview

The session offered a deep dive into the persistent hurdles in the execution of DMF initiatives. The group's presentation highlighted critical systemic and procedural issues affecting project planning, implementation, and monitoring. Through structured diagnostics such as root-cause analysis and prioritization matrices, the group proposed practical solutions to address gaps in governance, community engagement, and fund utilization.

The presentation was delivered by Convenor: Shri Jasmeet Singh Sandhu, District Collector Bhilwara and the Thematic Group comprise of District Collector Balod, District Collector Angul, District Collector Yavatmal and District Collector Kachchh.

Key highlights

- **Administrative and Technical Bottlenecks:** The group identified critical operational challenges such as ambiguous project selection criteria, manual approval delays, lack of technical vetting, seasonal constraints, and absence of dedicated project management teams. These issues have led to inefficiencies in fund utilization and project delivery.

The Secretary, Ministry of Coal and Mines, underscored the urgency of forming dedicated Project Management Units (PMUs) comprising departmental staff and external experts to support DMF operations and enhance institutional capacity.

- **Root Cause Analysis of Planning and Institutional Gaps:** Planning failures were attributed to top-down approaches, lack of baseline need assessments, weak Gram Sabha engagement, inadequate inclusion mechanisms, and limited technical capacity at the local level. These gaps have resulted in poor project targeting and execution. The Secretary, Ministry of Mines, emphasized that grievance mitigation must be prioritized, especially for mining-affected communities who feel excluded from DMF benefits.
- **Governance and Quality Control Reforms:** Recommendations included establishing state-level supervisory committees, adopting five-year planning frameworks, conducting third-party quality audits, deploying digital monitoring tools, and enforcing penalty clauses in contracts.



Presentation by Shri Jasmeet Singh Sandhu, DC Bhilwara

- **Transparency and Community Involvement Measures:** To enhance transparency, the group proposed public disclosure of DMF projects, mandatory annual performance audits, MIS-based dashboards, and institutionalized community-based monitoring via panchayats and user groups. The Secretary supported these measures as essential for restoring trust and accountability.
- **Evidence-Based Planning through Prioritization Matrix:** A 2x2 prioritization matrix (impact vs feasibility) was introduced as a practical tool for district authorities to make informed project selections. The Joint Secretary endorsed the group's prioritization framework and encouraged districts to implement action points incrementally.
- **Strengthening Systems and Delivery Mechanisms:** Calls to action included strengthening Gram Sabha consultations, using need-based data for project selection, setting implementation timelines with monitoring checkpoints, integrating quality control mechanisms, digitizing fund management via PFMS, and establishing dedicated fund management units at the district level. The Accountant General of Rajasthan emphasized the need for robust internal audit systems and proposed the formation of audit teams within state mining departments to ensure consistent oversight.

Summary Of Key Recommendations Made By The Thematic Group

1. Strengthening DMF Guidelines

- Amend boundaries to include full revenue villages.
- Update the list of affected persons annually.
- Allocate part of the trust fund for environmental protection and pollution control.
- Include provisions for safety equipment for workers.
- Allow use of DMF funds for hiring drones and guards to curb illegal mining.

2. Enhancing State-Level Oversight

- **Activate State-Level Monitoring Committees (SLMCs)** with biannual meetings and Ministry participation.
- Build capacity of local leaders and SLMC members.
- Shift to outcome-based reporting and monitoring.
- Train field staff and strengthen technical capacity.

3. Improving District-Level Execution

- Ensure transparency through public display of projects and digital dashboards.
- Use a priority matrix aligned with PMKKKY focus areas for project selection.
- Conduct third-party quality audits and community-based monitoring.
- Institutionalize five-year perspective planning and performance audits.
- Enforce strict penalty clauses in contracts and set clear timelines with checkpoints.
- Strengthen Gram Sabha consultations and involve Panchayats and user groups in planning.

4. Optimizing Fund Management

- Digitize fund management using PFMS and blockchain-based tracking.
- Streamline fund release and contractor onboarding.
- Establish Fund Management Units and district-level Quality Control Cells.
- Create clear guidelines for managing DMF endowment funds.

Presentation on Theme 4: Capacity to Plan and Implement

Overview

The session presented a vision of bottom-up, data-driven, and SDG-aligned planning, underpinned by robust monitoring systems, inclusive governance, and structured developmental frameworks. A wide range of planning challenges—ranging from institutional misalignment to data gaps—were addressed through scalable models, sector-wise planning strategies, and integrated intervention designs.

The presentation was delivered by Convenor Shri Aditya Ranjan, District Collector Dhanbad and the Thematic Group comprise of District Collector Korba, District Collector Rajsamand, District Collector Peddapally and District Collector YSR Kadapa.

Key highlights

- **Vision-Driven Bottom-Up Planning Models:** The presentation advocated for a shift from ad hoc interventions to Comprehensive District Development Plans (CDDPs), rooted in local aspirations, ground-level data, and the vision of ideal villages and institutions. This approach emphasizes reverse engineering from developmental outcomes and prioritizing village-wise gap assessments aligned with SDG targets. The Joint Secretary noted that “DMF is not going to stay forever,” and therefore, sustainable livelihood planning must be prioritized. He encouraged districts to submit additional recommendations to strengthen long-term planning frameworks.
- **Key Gaps in Implementation Were Critically Analyzed:** Persistent challenges were identified, including the absence of five-year perspective plans, poor alignment with DMF guidelines, limited technical capacity in line departments, irregular remittances from mining companies, and sectoral confusion. Peddapally district highlighted governance conflicts between state and national DMF guidelines. The Secretary acknowledged these constraints, especially in resource-limited districts, and assured that clarifications or amendments to DMF guidelines could be considered to address such practical issues.
- **Balanced Allocation Between Hard and Soft Interventions:** The presentation proposed a 50:50 resource allocation model to balance infrastructure upgrades (e.g., schools and health facilities) with service-oriented components like teacher training and community health outreach. This approach aims to ensure both visibility and sustainability. The District Collector of Korba recommended expanding priority sectors to include electrification, tourism, sports infrastructure, Anganwadi buildings, and residential hostels for healthcare staff in remote areas.



Presentation by Shri Aditya Ranjan, DC Dhanbad

- **Convergence & Resource Optimization:** DMF was positioned as a complementary funding source, with a strategy to first utilize existing schemes and private sector CSR initiatives. This ensures convergence, avoids duplication, and enhances impact. Thus, using the fund as catalytic funding for socio-economic development of mining affected regions is critical.
- **Institutional Capacity and Governance Reforms:** Recommendations included empaneling survey agencies, adopting standardized five-year planning frameworks, using SDG-aligned tools, training departmental staff, and deploying district dashboards. The Accountant General of Rajasthan suggested leveraging in-house training institutes for audit capacity building, a proposal supported by the Joint Secretary.
- **Equity and Just Transition Planning:** Participants stressed the need to align DMF with mine closure and just transition strategies, especially in coal districts. Suggestions included issuing transformation guidelines, formalizing spending rules for DMF endowment funds, and creating SPVs for low-capacity, forested regions. The Secretary clarified that DMF applies to major minerals under the MMDR Act, while support for oil and gas-affected areas could be explored under the Petroleum Act.
- **Clarifying the Scope and Future of DMF:** Responding to concerns about DMF's longevity, the Joint Secretary emphasized the importance of planning for sustainability. He encouraged districts to contribute to policy refinement and adapt PMKKKY guidelines for minor minerals, ensuring continued relevance and impact.

Summary Of Key Recommendations Made By The Thematic Group

1. Institutional Strengthening and Capacity Building

- Empanel agencies at district and state levels for baseline surveys.
- Build capacity of staff within line departments to enhance implementation efficiency.

2. Efficient Resource Mobilization and Fund Management

- Develop a robust mechanism for the timely collection of royalties from mining companies.
- Ensure strategic allocation of funds across sectors, emphasizing intergenerational equity and long-term sustainability.

3. Integrated Monitoring and Implementation Framework

- Establish a comprehensive monitoring mechanism involving District PMUs to ensure transparency, accountability, and timely execution of projects.

4. Strategic Planning Aligned with Sustainable Development Goals (SDGs)

- Utilize the SDGs as a foundation for a standardized Five-Year Perspective Plan, aligning local development with global sustainability targets.



Concluding Remarks and Key Takeaways

Concluding Remarks and Key Takeaways

Concluding Remarks by Shri V. L. Kantha Rao, Secretary, Ministry of Mines

The last session was an open-house with key issues and points raised by stakeholders. Post that Shri V.L. Kantha Rao, Secretary, Ministry of Mines closed the workshop with final remarks. He emphasized the importance of holding annual workshops to maintain momentum and enhance the implementation of DMF. He acknowledged the energy and engagement of participants, noting that the Hon'ble Minister was so encouraged by the discussions that he suggested organizing a larger event involving the Prime Minister, contingent on improved implementation outcomes. The workshop enabled direct interaction between over 200 districts and the Ministry, fostering stronger communication and collaboration. The Secretary assured participants that creative, community-focused initiatives aligned with DMF guidelines would be supported and protected, even in the face of external pressures. He stressed the need to address genuine complaints from mining-affected communities, reaffirming that DMF exists to serve their needs. Participants were reminded of the unique opportunity DMF presents, with dedicated funds unlike any other central scheme, and were urged to use these resources innovatively and responsibly.

Key takeaways from the workshop were:

- DMF has emerged as a transformative tool for decentralized planning, enabling mining-affected districts to implement projects in health, education, drinking water, skill development, and livelihoods tailored to local needs.
- The launch of the Coffee Table Book 2.0 and Aspirational DMF Program Guidelines showcased the Ministry's commitment to documenting success stories and guiding targeted interventions in aspirational districts and blocks.
- Several States have demonstrated leadership in terms of higher audit completion rate as well as for incorporating revised PMKKKY 2024 guidelines and achieving high compliance. Others are encouraged to improve their performance in this field.
- Challenges persist in fund utilization, audit compliance, and project execution, with issues such as irregular governing council meetings, lack of baseline surveys, and inconsistent data reporting on the DMF portal.
- Thematic sessions highlighted innovations such as convergence with Jal Jeevan Mission, use of blockchain for fund governance, GIS mapping of affected areas, and community-driven planning models like no-cost/low-cost interventions.

- District Collectors advocated for flexibility in defining directly and indirectly affected areas, citing geographical and demographic diversity, and requested clearer guidelines for fund allocation and project eligibility.
- Capacity building emerged as a critical need, with suggestions for training district-level teams, leveraging national portals, and sharing best practices across states to improve planning and implementation.
- The Ministry of Mines stressed on enhanced monitoring through State-Level Monitoring Committees (SLMCs), and periodic revision of guidelines to reflect ground realities and stakeholder feedback.
- The workshop concluded with a call for creative, inclusive, and accountable use of DMF funds, reinforcing the vision of cooperative federalism and sustainable development in mining-affected regions.

Key Recommendations

1. Strengthening Governance and Transparency

- **Strict Compliance Monitoring:** States deviating from DMF guidelines will receive formal notices. A strong penal provision has been introduced to ensure accountability.
- **Regular SLMC Meetings:** State Level Monitoring Committees (SLMCs) should meet at least twice a year, with Ministry representatives present, to ensure oversight and convergence.
- **Audit Mechanisms:** Dual-layer audits (financial and social) using CAG-empaneled Chartered Accountants, supported by digital audit trackers and SOPs.
- **Transparency Tools:** Implementation of QR-coded project signage, public disclosure of project status, and interactive grievance redressal modules.
- **Strengthen the National DMF Portal:** Integration with state portals, real-time data sync, and GIS mapping of affected areas.

2. Enhancing Planning and Implementation Capacity

- **Five-Year Perspective Plans:** Districts should prepare SDG-aligned plans based on baseline surveys and local needs.
- **Capacity Building:** Training for DMF officers, elected representatives, and implementing agencies; creation of Project Management Units (PMUs) at the district level.
- **Planning Tools:** Templates for perspective plans, baseline surveys, and prioritization matrices to guide resource allocation.

3. Financial Management and Fund Utilization

- **Project Completion Review:** Districts must regularly review and close completed projects to improve reported expenditure figures.
- **Timely Accrual of Funds:** State mining departments must ensure accurate and timely reconciliation of DMF collections.
- **Endowment Fund Guidelines:** A committee will draft rules for managing and investing DMF endowment funds, especially in districts with large accumulations.
- **Streamlined Fund Flow:** Avoid delays due to PD account bottlenecks; explore digital workflows and blockchain for fund tracking.

4. Driving Convergence for Impact

- **Strategic Convergence:** DMF funds should complement existing schemes (e.g., NHM, CSR), with priority given to health, education, nutrition, water, and livelihoods.
- **Aspirational DMF Programme:** Use baseline data to identify gaps and deploy DMF resources toward high-impact, measurable interventions.
- **Outcome Tracking:** Monitor success using indicators like improved learning outcomes, reduced malnutrition, and increased service access.

5. Policy and Guideline Reforms

- **Clarify DMF Usage Boundaries:** Allow flexibility in defining affected areas based on impact, not just distance; permit DMF use in aspirational districts beyond the 25 km radius.
- **Prevent Fund Diversion:** Reinforce that DMF funds must not be transferred to state exchequers or unrelated schemes.

6. Monitoring, Evaluation, and Knowledge Sharing

- **Performance and Social Audits:** Shift focus from financial to outcome-based audits; ensure community-led social audits for accountability.
- **Impact Assessment:** Use indicators such as IMR, MMR, stunting, and dropout rates to measure project success.
- **Circulation of Success Stories:** Document and share innovative district-level practices to support replication and informed decision-making.
- **Compliance Checklist:** Develop and distribute a standardized checklist to help districts demonstrate adherence during governing council meetings.

7. Encouraging Innovation and Local Ownership

- Districts are encouraged to pursue **creative, community-driven projects** that align with DMF guidelines and reflect local priorities. The Ministry assured support for such initiatives, provided they are compliant and impactful.

8. Annual Workshops

- Conduct Annual workshops as a way of ensuring that all districts are connected and so is the Ministry on DMF issues. This will also help strengthen PMKKKY and lead to improved DMF outcomes.



Appendix

Agenda

| Time | Session |
|---------------------|---|
| 0900–1000 | Registration at SCOPE Convention Center (Gate 18, SCOPE Complex) |
| 0930-0945 | Inauguration of the DMF Exhibition at Handloom Haat (Janpath) by Hon'ble Minister of Coal and Mines, Govt. of India in presence of Hon'ble Minister of State for Coal and Mines, Govt. of India |
| 1000 | Arrival of Chief Guest |
| 1010-1020 | Welcome Speech by Additional Secretary, Ministry of Mines |
| 1020-1030 | Keynote Address by Secretary, Ministry of Mines |
| 1030-1045 | Address by Hon'ble Minister of State for Coal and Mines, Govt. of India |
| 1045-1050 | Launch of Coffee Table Book 2.0 and 'Aspirational DMF Programme' |
| 1050-1110 | Felicitation Session |
| 1110-1125 | Address by Chief Guest: Hon'ble Union Minister of Coal and Mines, Govt. of India |
| 1125-1140 | Memento to Dignitaries on the dais |
| 1140–1200 | Tea Break |
| 1200-1215 | Presentation by Ministry of Mines, on the Overview of DMF Issues and Updates |
| 1215-1230 | Presentation by CAG representatives regarding Audit of DMF |
| 1230-1315 | Session 1: Presentation by Thematic Group 1: DMF Transparency and Compliance (Presentation for 20-30 minutes, 15 minutes for discussion) |
| 1315-1415 | Lunch Break |
| 1415-1500 | Session 2: Presentation by Thematic Group 2: Innovations in DMF Implementation (Presentation for 20-30 minutes, 15 minutes for discussion) |
| 1500-1545 | Session 3: Presentation by Thematic Group 3: Challenges Faced and Way Forward (Presentation for 20-30 minutes, 15 minutes for discussion) |
| 1545-1615 | Tea Break |
| 1615-1700 | Session 4: Presentation by Thematic Group 4: Capacity to Plan and Implement (Presentation for 20-30 minutes, 15 minutes for discussion) |
| 1700-1730 | Open House Discussion |
| 1730-1740 | Summary Remarks by Secretary, Ministry of Mines |
| 1740-1745 | Vote of Thanks |
| 1745 onwards | High Tea |



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