



DMF - PMKKKY Challenges in Implementation

By

Dr. K. Rajeswara Rao, IAS
Additional Secretary, Ministry of Mines

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DMF PMKKKY - Overview

What

- Amendment in Section 9B of Mines and Minerals (Development and Regulation) Act (1957) mandates the State Governments to establish District Mineral Foundations(DMF).

When

- In 2016, 12 mineral rich States of the country (i.e. Goa, Karnataka, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Rajasthan, Telangana, Andhra Pradesh, Maharashtra, Tamil Nadu and Gujarat) executed and prepared the guidelines for District Mineral Foundation.

Why

- Rehabilitation of affected areas/people by utilizing the funds accrued under District DMFs within and beyond concerned district.



DMF Data

- Overview of Funds – till November 2018

Total Collection (in cr.)	Amount Allocated (in cr.)	Amount Allocation (In %)	Amount Spent (in cr.)	Amount Spent (In %)
23,606	18,189	77	5,726	24

- Overview of Projects

Total No. of Projects Sanctioned	Projects yet to start	Total No. of Projects Completed	No. of Ongoing Projects	No. of Projects Scrapped / Cancelled
94874	23773	26201	41792	3108



DMF Data- Top 5 States

Top 5 States in terms of DMF Collection

Name of State	DMF Collection (in cr.)
Odisha	5,838
Jharkhand	3,427
Chhattisgarh	3,336
Rajasthan	2,340
Telangana	2,029

The above States contribute 72% to the total DMF fund collection in the country.

Total 64283 projects have been sanctioned in these States at a total cost of Rs.

14278 crore.



DMF Data- Top 10 Districts

Top 10 Districts in terms of DMF Collection

S.No.	State	District	DMF Collection (in cr.)
1	Odisha	Keonjhar	2,217
2	Chhattisgarh	Korba	1,276
3	Madhya Pradesh	Singroli	1,132
4	Odisha	Sundergarh	1,077
5	Odisha	Angul	925
6	Jharkhand	Dhanbad	827
7	Karnataka	Bellary	748
8	Chhattisgarh	Dantewada	743
9	Rajasthan	Bhilwara	716
10	Odisha	Jajpur	618

The above Districts contribute 44% to the total DMF fund collection in the country.



Information Dissemination

1. A national level portal was launched on 20th March 2018 at the 3rd National Conclave where provision has been given to Districts to input the data.
2. Portal was made live on 27th August, 2018. Information is being entered by the DMFs into the system.
3. The portal will disseminate key information about the progress of works being implemented to the local population and other stakeholders working in the direction of ensuring maximum transparency.
3. States of Odisha, Chhattisgarh, Gujarat, Rajasthan have the State portals available. These will be integrated with the national portal for complete information visibility.
4. Capacity building activities through the State PMUs in the 10 Major Mineral States is being initiated in order to ensure the implementation of the portal.



Challenges in Implementation of District Mineral Foundation **(PMKKKY)**

**Proper Structure of
DMF – PMKKKY**

**A Pattern in
utilization of funds in
DMF-PMKKKY**

**Identification of
Affected Areas and
Affected Families**

**Ratio of Utilization of
Funds w.r.t. (60:40)
(High Priorities &
Other Priorities
Areas**

**Characterization of
utilization of funds
for Directly/
Indirectly Affected
Areas/Family/People**

**Inter-District DMF
fund Transfer**

**Present Challenges
and the way ahead**



Present Challenges and the way ahead

Developing a strong knowledge base on mining resource and DMF

Addressing Tribal Issues under DMF

Create Awareness on DMF

Transparency & Accountability

Ensure Intergenerational Equity



Identification of Affected Areas and Affected Families

What

- Directly affected area may be identified by the respective States as per guidelines, by demarcating, as done by Telangana where area of 10 KM radius taking the mining areas as centre points.
- Indirectly affected area may be defined as the area getting affected through transport, dust pollution spreading beyond affected area and other parameters suitably thought of.

How

- The State Government/ District Collector may devise a process of identifying Directly/ Indirectly Affected Area/People/Family by constituting a Committee at District Level (Concerned Departments), as per guidelines/rules.

Need

- Dealing with abandoned Mines which can become environmental/safety hazard. Mechanism?



Ratio of Utilization of Funds w.r.t. (60:40) (High Priorities & Other Priorities Areas)

Now

- 60% for High Priority Areas
- 40% for Other Priority Areas
- Specified ratio should be adhered to by all the States

What

- It is observed that in some States where the DMF is implemented utilization of funds for Other Priority areas is more than High Priority Areas and ratio is not maintained.

Why

- Prompt release of funds for quality execution of works is important. Proper field inspections, observation of codal formalities needs to be focused.
- Convergence with other flagship schemes shall be focused.



Challenges

- Slow utilization of funds, against the total collection of 23606 crore, the total fund spent is only 5726 crore which is only 24% of the total fund collected.
- 60 - 40 ratio as per PMKKKY guidelines should be adhered to.
- A mechanism needs to be devised to identify the Directly/ Indirectly affected Area/People/Family by constituting Committees at District Level.
- The implementation mechanism needs to be strengthened by establishing offices at State and District levels by utilizing the 5% funds available for administrative purposes. Professional management is desirable.



Challenges

- Sharing of funds between the districts is not clear. At present State DMF Rules have no specific rules defined for sharing of funds between districts.
- DMF Trust is yet to be established in Kerala. Meghalaya is yet to start utilization of DMF funds collected.
- It is observed that there is limited or no representation of people from mining affected area in the DMF body i.e. the Governing Council. Gram Sabhas need to be given due representation in project planning as community involvement brings better results.
- Absence of grievance redressal mechanism at the DMF level.

Thank You