Theme 1: Revisiting PMKKKY Guidelines, Ways and Means to Improve

National Level Workshop on DMF and PMKKKY by Ministry of Mines, Government of India

Mr. Roopwant Singh, IAS
Commissioner of Geology and Mining, Government of Gujarat
Overview of the Presentation

1. Establishment of DMF - DMF Rules and Notifications
2. Need for well crafted Administrative Structure
3. Scientific and Long-Term Approach to planning and designing the need based projects
4. Transparency and Visibility - Dynamic Website & Audits

Theme: Revisiting PMKKKY Guidelines, Ways and Means to Improve
1 Establishment of DMF – DMF Rules and Notifications
Suggestions of Group Members

- No uniform process in DMF Trust Registration.
- No prescribed procedure for establishment of Endowment Fund (only Gujarat has)
- Irrigation is currently mentioned in the “Other Priority Areas”. It needs to be kept in the “High Priority Areas”
- DMF fund should also focus on the Farmer Distress
- After illegal mining, many labors lose their jobs – Are they affected from the mining activities
Suggestions of Group Members

• Need to include Tertiary Healthcare in the Health “High Priority Areas”
• Fellowship schemes in education sector
• Uniform reporting structure/ MIS
• Define the roles and responsibilities in case of the joint funding (partnerships with state/private/ PSUs)
• Define time period for the maintenance expenses
• Any lease granted after 12.1.2015 through any other means than auction also pay royalty @ 30%.
### Ways and Means to improve

<table>
<thead>
<tr>
<th>Notification</th>
<th>Rule</th>
<th>Description of Rule to be altered</th>
<th>Suggestions</th>
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<tbody>
<tr>
<td>16/7/2015-M.VI (Part) dated 16th September, 2015</td>
<td>Rule 1: Identification of affected areas and people to be covered under the PMKKKY</td>
<td>Rule no. 1.1.a.: Directly Affected Areas- where direct mining-related operations such as excavation</td>
<td>There is <strong>no clear definition of directly and indirectly affected areas.</strong> Identification and selection of areas (both direct and indirect) based on predefined set of standard parameters (e.g., distance from mines, level of pollution caused by mining activities etc.) will reduce ambiguity and improve the coverage / benefit of the scheme. The idea is to make the selection objective rather than subjective.</td>
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<td>Rule no. 1.1.b.: Indirectly Affected Areas- Those areas where local population</td>
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<td>Rule no. 1.1.a.b: An area within such <strong>radius</strong> from a mine or cluster of mines as may be specified by the State Government</td>
<td>It is suggested to define the word “<strong>Radius/ Buffer Zone</strong>”.</td>
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<td>Need to include Nagarpalika in the Directly Affected Areas.</td>
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### Ways and Means to improve

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<td>Rule no. 1.1.a.c: Villages in which families displaced by mines have resettled</td>
<td>It is suggested to define the time period (for instance, the families displaced by mines in last 3 years).</td>
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<td>Rule no. 1.1.a.d: Villages that significantly depend on the mining areas</td>
<td>It is necessary to define the assessment parameters to consider these villages as directly affected areas.</td>
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<td>Rule no. 1.2.c: Affected families should be identified, as far as possible, in consultation with local/</td>
<td>District Mineral Foundation, Gujarat has carried out census and household survey of Category A and B districts in Gujarat through empanelled agencies. It is suggested to carry out census/HH Survey to identify the mining affected communities.</td>
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2 Need for well crafted Administrative Structure
## Administrative Structure- Ways and Means to improve

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| 16/7/2015-M.VI (Part) dated 16th September, 2015 | Rule 2: Utilization of Funds | Rule 2.2.b: General Guidelines: As far as possible, no temporary/permanent posts and purchase of vehicle by the foundation shall require prior approval of the State Government. However, minimum required staff can be engaged on contractual basis. | • District Mineral Foundation, Gujarat has created a **Project Management Unit** at the state level known as State Nodal Unit. This State Nodal Unit comprises of expert staff (recruited on the contractual basis) from social sector. Similarly, the DMFs at the districts level are fully operational with the professional staff.  
• It is suggested to include the setup of Project Management Unit (State Nodal Unit) which can supervise, support & guidance, monitor and also provide strategic direction to the district DMF units.  
• **Categorization of districts** may be carried out based on the “DMF Fund Collection” in order to focus the high priority districts. |
Administrative Structure: Gujarat Experience

**Category A - 5 Districts**
Setup for districts falling under DMF income of INR 10-35 Cr. in FY 15-16 with 6-7 staff members

**Category B - 11 Districts**
Setup for districts falling under DMF income of INR 2-10 Cr. in FY 15-16 with 4-5 staff members

**Category C - 16 Districts**
Setup for districts falling under DMF income upto INR 2 Cr. in FY 15-16 with 1-2 staff members
**DMF Operationalization Structure at State & District Level**

119 Positions Created on contractual basis

Section 7 (L) of Gujarat District Mineral Foundation Rules, 2016 refers to appoint staff on contractual basis for the affairs of the District Mineral Foundation in accordance with the policies and the instructions of the Government.

- Staff strength decided based on categorization of districts classification to limit administrative cost.
- Staff requirement defined as per the needs of the task.
- Experts & Professionals from Social Sectors to manage the DMF, Planning & Monitoring & IT Professionals & Accounts & Administration Officials

Headed by Director—DMF, a Senior Social Program Management Professional

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**Theme:** Revisiting PMKKKY Guidelines, Ways and Means to Improve
Scientific and Long-Term Approach to planning and designing the need based projects
### Ways and Means to improve

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<td>16/7/2015-M.VI (Part) dated 16th September, 2015</td>
<td>Rule 2: Utilization of Funds</td>
<td>Rule 2.1: Scope of PMKKKY: The PMKKKY may cover the activities listed</td>
<td>The priority and other priority areas, sectors and sub-sectors need more clarification. This should be little more focussed which can address the outcome indicators—subsectors to be linked with the outcome indicators.</td>
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Division of 60:40 ratio for high priority and other priority areas need revisiting. OR a state should be allowed the changing this ratio to address the priority. Accordingly, State Strategy must be reviewed and revisited every year.

It is suggested to consider following items:

- Identification of key indicator areas and develop the strategies for each district
- Focus on the community based projects; not the individual projects
- More focussed approach on designing and implementing outcome oriented, scalable and innovative projects
- More focus on additionality of resources to address the gaps
Ways and Means to improve

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<td>Rule 2.1: Scope of PMKKKY: The PMKKKY may cover the activities listed</td>
<td>It is suggested to define areas where DMF Fund should not be used:</td>
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• **Administrative expenses**: No more than 5% of DMF Funds should be used as specified by DMF Law

• **Environmental pollution control and management of mining activities**. It shall be the joint responsibility of mining company/individual and Government.

• Not to be treated as **State Budget**.

Theme: Revisiting PMKKKY Guidelines, Ways and Means to Improve
## Ways and Means to improve

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| 16/7/2015-M.VI (Part) dated 16th September, 2015 | Rule 2: Utilization of Funds | Rule 2.1.d: Education: Construction of school buildings, additional classrooms, .......................... | • Some of the innovative and scalable concepts such as Smart DMF Anganwadi, Smart DMF Schools and Smart DMF Villages may be introduced and guidelines may accordingly be prepared and circulated.  
• Along with the Infrastructure component, the projects should also address the gap indicators. (For instance, any construction of classroom needs to be linked with the address of key outcome indicators.) |
|                                       |                               | Rule 2.1.e: Welfare of women and children: Special programmes .............................................. | The sub-sectors defined under these priority areas are ambiguous and need to be defined having clear outcomes. |
|                                       |                               | Rule 2.1.f: Welfare of aged and disabled people: Special programmes................................. |                                                                                                  |
Innovative and Scalable Projects at State Level: **Gujarat Experience**

- **Doubling Agricultural Productivity**
- **Outreach of Basic Services (Health & Nutrition)**
- **Special Focus on Aspirational Districts**
- **Skill Development and Employment**

**Focus on Agriculture Diversification**, Developing Agro-tech Entrepreneurs, Horticulture in Dry Zones etc.

**Focus on Malnutrition, Anaemia, New Born Care, Model ECD Centers, Adolescent Empowerment Centre etc.**

**Holistic development of backward districts as unique model for sustainable development in consultation with stakeholders**

**Training village youth for skill development and job placement in different sectors**

**Spreading Door to Door facilities for drinking water in the mining affected villages.**
Outcome oriented Projects by District DMF Units: Observations

- More focus on the Infrastructure/construction Projects (Providing sports equipment in schools)
- Investment rarely reflect needs based and creative planning which will ensure long term results/benefits.
- Top down approach while allocating the DMF Funding at the district level
- Demand from the Line department (DMF Fund as untied fund vs own fund)
- Poor Knowledge of stake-holders on DMF.
4 Transparency and Visibility - Dynamic Web Portal & Audits
Ways and Means to improve

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<td>16/7/2015-M.VI (Part) dated 16th September, 2015</td>
<td>Rule 5: Compliances of Transparency</td>
<td>Rule 5 (1): Each Foundation will prepare and maintain a website on which following information will be hosted and kept updated ..........</td>
<td>DMF Gujarat has developed a web portal which caters all the information items mentioned from the Rule 5.1.i to 5.1.viii.</td>
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</table>
**Transparency- Dynamic Web Portal: Gujarat Experience**

- Development of Web Portal with **32 Micro Website** for each District. The link [http://dmf.gujarat.gov.in](http://dmf.gujarat.gov.in)
- Development of **Content Management System (CMS)** for regular update on State Portal.
- **GIS plotting** of the 1946 villages across 32 districts of Gujarat to reflect transparency of the Web Portal.
- **Sector & Sub-sector wise Project** details on the web portal.

- **Web based Accounting and Projects MIS System** for generating various Reporting format and Data for analysis.
- **Geo-tagging of Sector-wise Project location up to Village level** – District/Taluka/Gram Panchayat/Village
- **District-Wise Mining Lease, Royalty Collection & DMF Collection** details on the portal
- **Integration of DMF Portal with the MTS National Portal** in order to avoid dual entries of data on Portal.
Theme: Revisiting PMKKKY Guidelines, Ways and Means to Improve

Transparency - Dynamic Web Portal: Gujarat Experience

GIS Based plotting of Projects
Theme: Revisiting PMKKKY Guidelines, Ways and Means to Improve

Transparency- Dynamic Web Portal: Gujarat Experience
### Transparency - Audit and Supervision: Rule 5: Compliances of Transparency

<table>
<thead>
<tr>
<th>Proprietary Audit</th>
<th>Independent Visits</th>
<th>Quality Checks</th>
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<tbody>
<tr>
<td>Proprietary Audit (on random basis) to ensure that guidelines PMKKKY and DMF Rules are adhered to. To also supervise the role of EC &amp; GC.</td>
<td>Field Monitoring and benefit inquiry by <strong>District DMF Teams</strong> as independent observation visits</td>
<td>Technical <strong>Checks by Experts and Officers of Line Department in Districts.</strong> Defined guidelines for the administrative and technical approval for each project</td>
</tr>
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<thead>
<tr>
<th>Statutory Audit</th>
<th>Sharing information with Community</th>
<th>Impact Assessment</th>
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<tr>
<td>Statutory Audits to be conducted by CAG <strong>Empanelled Auditors.</strong> Submission of report and uploading of SA results on the website and the submission in legislative assembly in the respective state.</td>
<td>Visibility guidelines for benefit sharing and timelines of developmental schemes/works needs to be undertaken reflecting activity cost and benefit to the community.</td>
<td><strong>Impact Assessment</strong> through Third Party Monitoring. Ministry of Mines may give broad guidelines.</td>
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**Ways and Means to improve**

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| 16/7/2015-M.VI (Part) dated 16th September, 2015 | Rule 3: Special Provisions for scheduled areas | Rule 3 (ii): Report on the works being undertaken PMKKKY in the respective village | In addition to this, it is also suggested to insert the component of the branding and visibility of the DMF and PMKKKY scheme. It is advised to have:  
• Separate logos and brand guidelines of DMF and PMKKKY each nationally  
• Documentation (visual, booklet, hoardings etc.) of the best practices for the credibility purpose |
**Branding and Visibility: Gujarat Experience**

- **District Mineral Foundation, Gujarat has developed the logo of DMF and also developed the DMF brand guidelines for the visibility purpose.**

- **Additionally, DMF Gujarat has been carrying out the documentation to capture the learnings emerging from effectively using the DMF Fund in the priority areas.**
Thank You!
Annexures
Establishment of District Mineral Foundation: Gujarat Experience


Industries and Mines Department, Govt. of Gujarat vide notification dated 1st April, 2016 established District Mineral Foundations in 32 districts of the state of Gujarat. Accordingly, DMFs have been registered and setup in 32 districts of Gujarat to implement PMKKKY and other schemes.

10% of the royalty paid for Minor Minerals fixed as the contribution to the DMF. Industriess and Mines Department, Govt. of Gujarat vide notification dated 26th September, 2016 fixed 10% as the contribution of DMF for Minor Minerals to be collected from 12th January, 2015.

First SLCC was held on 11th November, 2016 to operationalize DMF Structure and Implementation (Rules, regulations, administrative and financial procedures and policies and social audit guidelines)
Theme: Revisiting PMKKKY Guidelines, Ways and Means to Improve

**Administrative Structure: Gujarat Experience**

- **SUPERVISION**
- **STRATEGY AND DIRECTION**
- **MONITORING**
- **SUPPORT AND GUIDANCE**

**An independent State Nodal Unit managed by professional staff from social sector**

**To support and guide district units to ensure highest level of performance**

**To develop procedures for technical appraisal, administrative approval and project completion guidelines**

**Developed HR manual, Monitoring and Evaluation Framework, Communication and Visibility guidelines and Code of Ethics along with Gender Framework**

**Ensuring accountability, transparency & credibility to the mining affected people and state agencies**
**Projects under the District DMF Units**

<table>
<thead>
<tr>
<th>Priority Sectors</th>
<th>Types of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Priority Areas</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Drinking Water</strong></td>
<td>Deepening and development of overhead water storage system, Projects on water storage system, new tube well, pipeline, pumping house, RO Plant, Liquid Dozing System, Providing water purifier</td>
</tr>
<tr>
<td><strong>Sanitation</strong></td>
<td>Projects on sewage and drainage system, Tricycle Dustbin, Provision of toilet Blocks in Anganwadi, Door to Door Garbage Collection, Dustbin for solid waste collection</td>
</tr>
<tr>
<td><strong>Skill Development</strong></td>
<td>Livelihood and Capacity Building Program, trainings for sewing, candle making, embroidery and stitching, etc. to women, fire safety training for unemployed youths.</td>
</tr>
<tr>
<td><strong>Health care</strong></td>
<td>Procurement of health equipment in hospitals, Room for PHC and SC centres in villages, medical camp and Mobile Health Unit</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Interlock, prayer shed and shed for mid-day meal in primary schools, Water Proof educational ceramic emboss chart at primary school, Sports Instruments, Computer aided learning project, Separate Toilet Blocks for Girls and Boys, Water RO System, Science Activity Centre, Construction of Additional Classroom, Library room in High schools</td>
</tr>
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# Outcome Oriented Projects by District DMF Units: Gujarat Experience

## Priority Sectors

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<th>Types of Projects</th>
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<tr>
<td>Welfare of Women and Children</td>
<td>Modern Anganwadi (including centres for playing equipment), Poshan Vahini Project in Anganwadi, Sanitary Pad Distribution for Girls, MAMTA Kit</td>
</tr>
<tr>
<td>Welfare of Aged and Disable People</td>
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<tr>
<td>Environment Preservation and Pollution Control Measures</td>
<td>Tree Plantation</td>
</tr>
</tbody>
</table>

## Other Priority Areas

<table>
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<th>Physical Infrastructure</th>
<th>Construction of road and waterways and building for cultural activities, CC Road, Paver Block, Community hall, Low level Bridge</th>
</tr>
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<tbody>
<tr>
<td>Irrigation</td>
<td>Development of alternate irrigation scheme, desilting and deepening of irrigation dam, check dams</td>
</tr>
<tr>
<td>Energy and watershed Development</td>
<td>Protection wall for storage tank, rain water harvesting system work, Solar Roof Top, Solar Street Lights</td>
</tr>
<tr>
<td>Any Other Measure for enhancing Environmental Quality in mining District</td>
<td>Biogas plant unit</td>
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</tbody>
</table>
Scientific & Long-term Approach To Planning- At District Level

To develop 5 years perspective plans for DMF of each district a systematic process of developing Scope of Work was conducted.

A preliminary process of empaneling the Professional Agency was done through inviting Expression of Interest and GCSRA supported in mobilizing the Agencies.

Shortlisting of the Agencies was done through a high profile Panel considering Turn Over, Approach, Methodology, Relevant Experience and HR expertise and their presentations 8 technical expert Agencies were selected.

There-after fresh scope of work for each district was developed and limited E tendering process was adopted to select for each District from these 8 Agencies.

Gujarat CSR Authority (GCSRA) has provided the initial technical support due to its domain experience and expertise.
**DMF Identity and Visibility**

- All DMF-PMKKKY works to have standard branding with logos in approved standard sizes to differentiate from other development works being carried out.

- Regularly updating the dynamic website with latest information.

- Developed Standard of Procedures (SOP) guidelines for communication and visibility.

- Developing Human Stories reflecting impact of the works in the community and individual.