

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

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



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Overview of the Presentation

1

**Establishment of DMF -
DMF Rules and
Notifications**

2

**Need for well crafted
Administrative Structure**

4

**Transparency and
Visibility-
Dynamic Website & Audits**

3

**Scientific and Long- Term
Approach to planning and
designing the need based
projects**

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

Notification	Rule	Description of Rule to be altered	Suggestions
16/7/2015-M.VI (Part) dated 16th September, 2015	Rule 1: Identification of affected areas and people to be covered under the PMKKKY	Rule no. 1.1.a.: Directly Affected Areas- where direct mining-related operations such as excavation	There is <u>no clear definition of directly and indirectly affected areas</u> . 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.
		Rule no. 1.1.b.: Indirectly Affected Areas- Those areas where local population	
		Rule no. 1.1.a.b: An area within such radius from a mine or cluster of mines as may be specified by the State Government.....	It is suggested to define the word <u>“Radius/ Buffer Zone”</u> . Need to include Nagarpalika in the Directly Affected Areas.

Ways and Means to improve

Notification	Rule	Description of Rule to be altered	Suggestions
16/7/2015-M.VI (Part) dated 16th September, 2015	Rule 1: Identification of affected areas and people to be covered under the PMKKKY	Rule no. 1.1.a.c: Villages in which families displaced by mines have resettled	It is suggested to <u>define the time period</u> (for instance, the families displaced by mines in last 3 years).
		Rule no. 1.1.a.d: Villages that significantly depend on the mining areas	It is necessary to <u>define the assessment parameters</u> to consider these villages as directly affected areas.
		Rule no. 1.2.c: Affected families should be identified, as far as possible, in consultation with local/	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 <u>carry out census/ HH Survey to identify the mining affected communities.</u>

2

***Need for well crafted
Administrative Structure***

Administrative Structure- Ways and Means to improve

Notification	Rule	Description of Rule to be altered	Suggestions
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.	<ul style="list-style-type: none"> 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

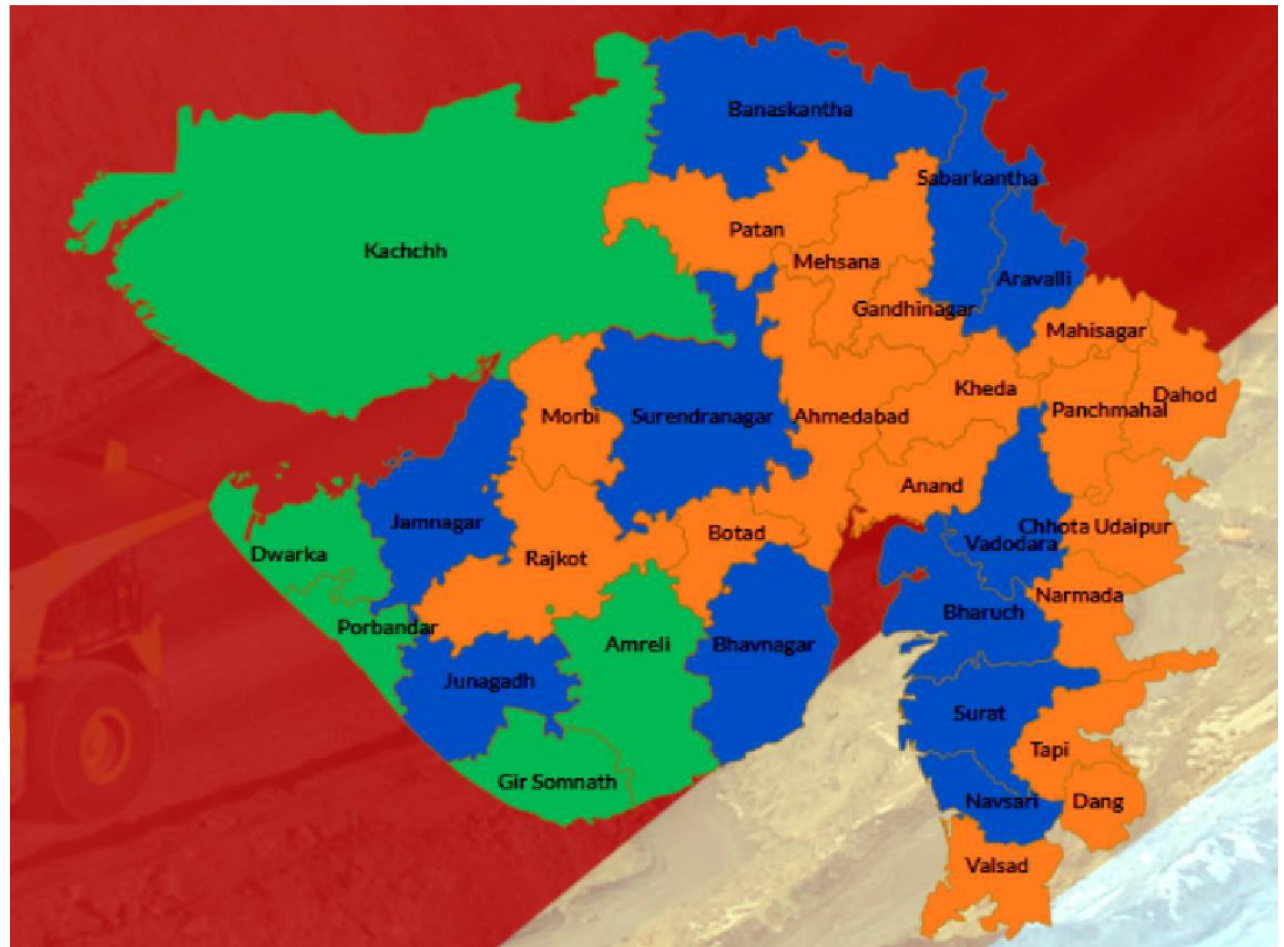
Setup for districts falling under DMF income of INR 10-35 Cr. in FY 15-16 with 6-7 staff members

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

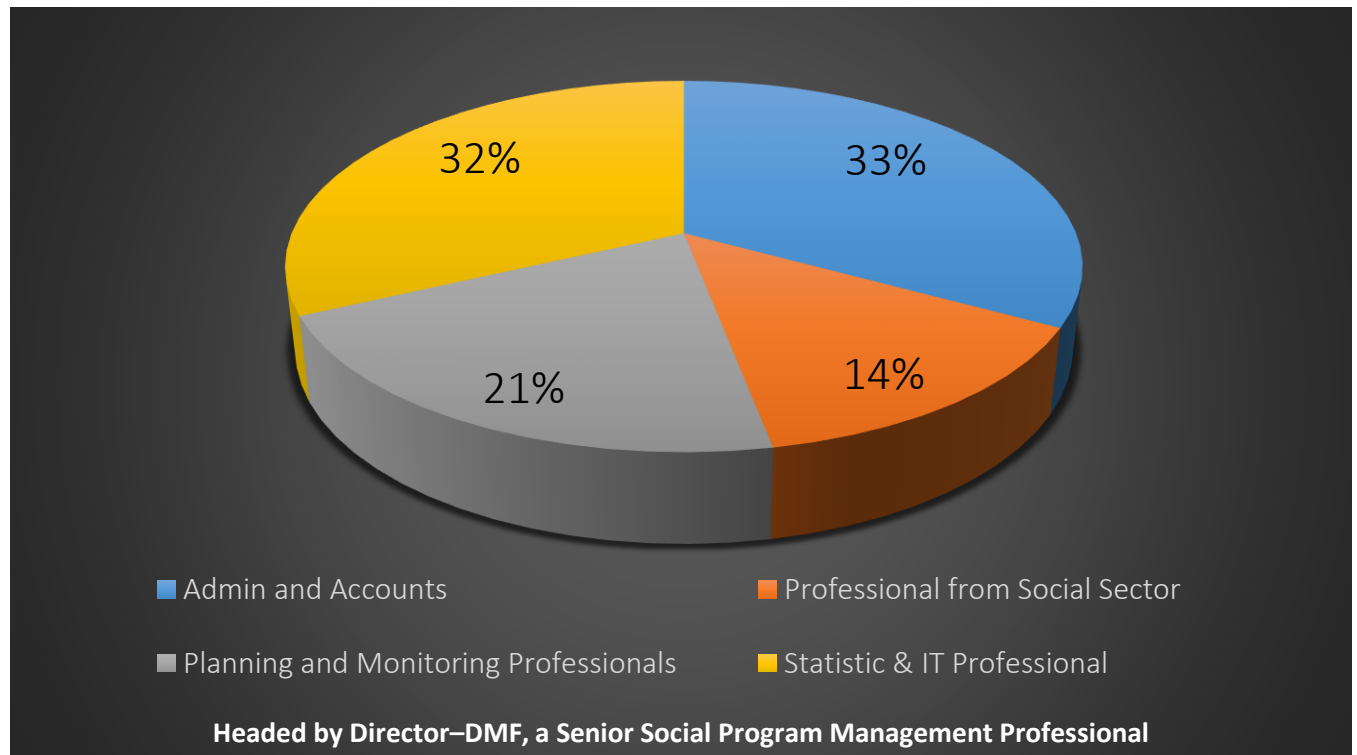


DMF Operationalization Structure at State & District Level



**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

3

***Scientific and Long- Term Approach
to planning and designing the need
based projects***

Ways and Means to improve

Notification	Rule	Description of Rule to be altered	Suggestions
16/7/2015-M.VI (Part) dated 16th September, 2015	Rule 2: Utilization of Funds	Rule 2.1: Scope of PMKKKY: The PMKKKY may cover the activities listed	<p>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.</p> <p>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.</p> <p>It is suggested to consider following items:</p> <ul style="list-style-type: none"> • 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

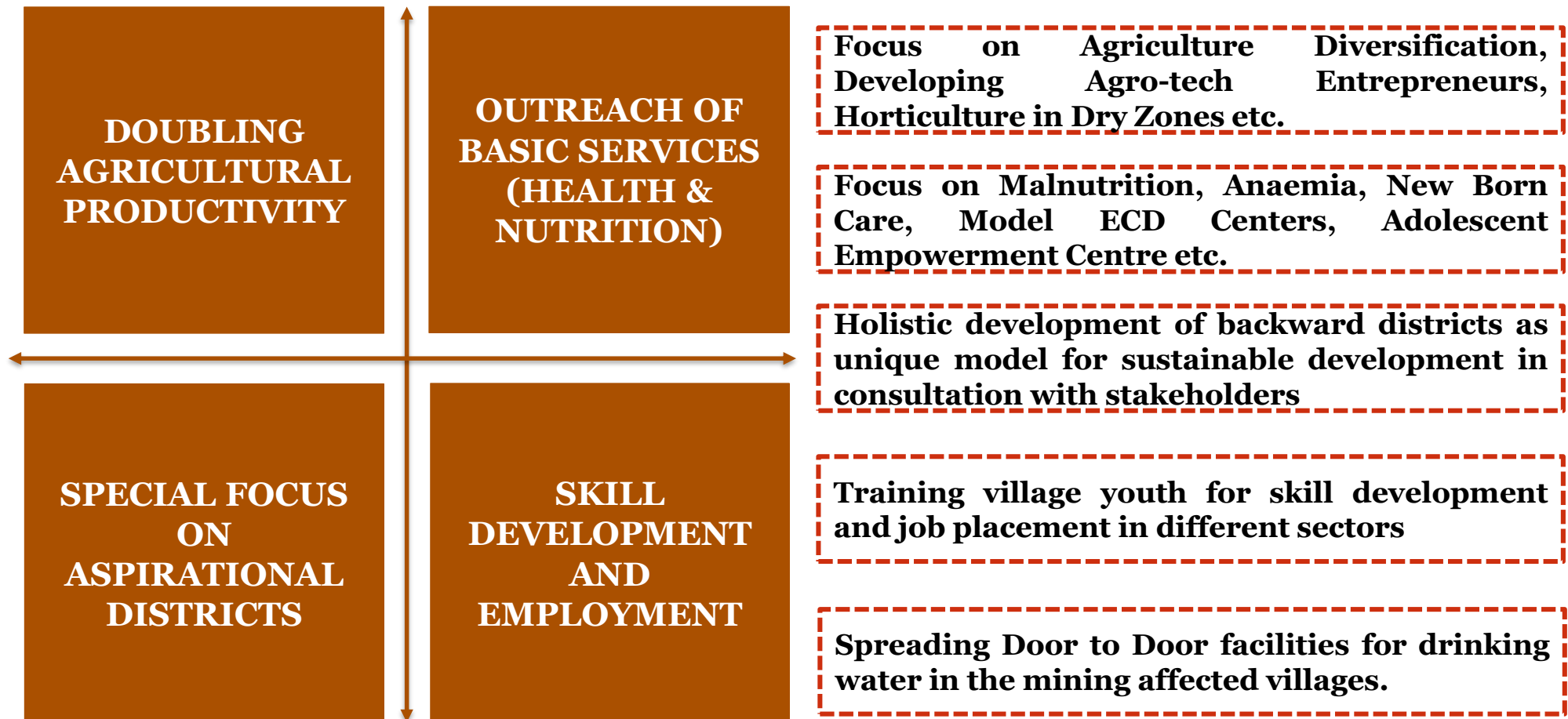
Ways and Means to improve

Notification	Rule	Description of Rule to be altered	Suggestions
16/7/2015-M.VI (Part) dated 16th September, 2015	Rule 2: Utilization of Funds	Rule 2.1: Scope of PMKKKY: The PMKKKY may cover the activities listed	<p>It is suggested to define areas where DMF Fund should not be used:</p> <ul style="list-style-type: none">• 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.

Ways and Means to improve

Notification	Rule	Description of Rule to be altered	Suggestions
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,	<ul style="list-style-type: none"> 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	
		Rule 2.1.f: Welfare of aged and disabled people: Special programmes.....	The sub-sectors defined under these priority areas are ambiguous and need to be defined having clear outcomes.

Innovative and Scalable Projects at State Level: Gujarat Experience



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

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

Transparency- Dynamic Web Portal: Gujarat Experience

Development of Web Portal with **32 Micro Website** for each District the link <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

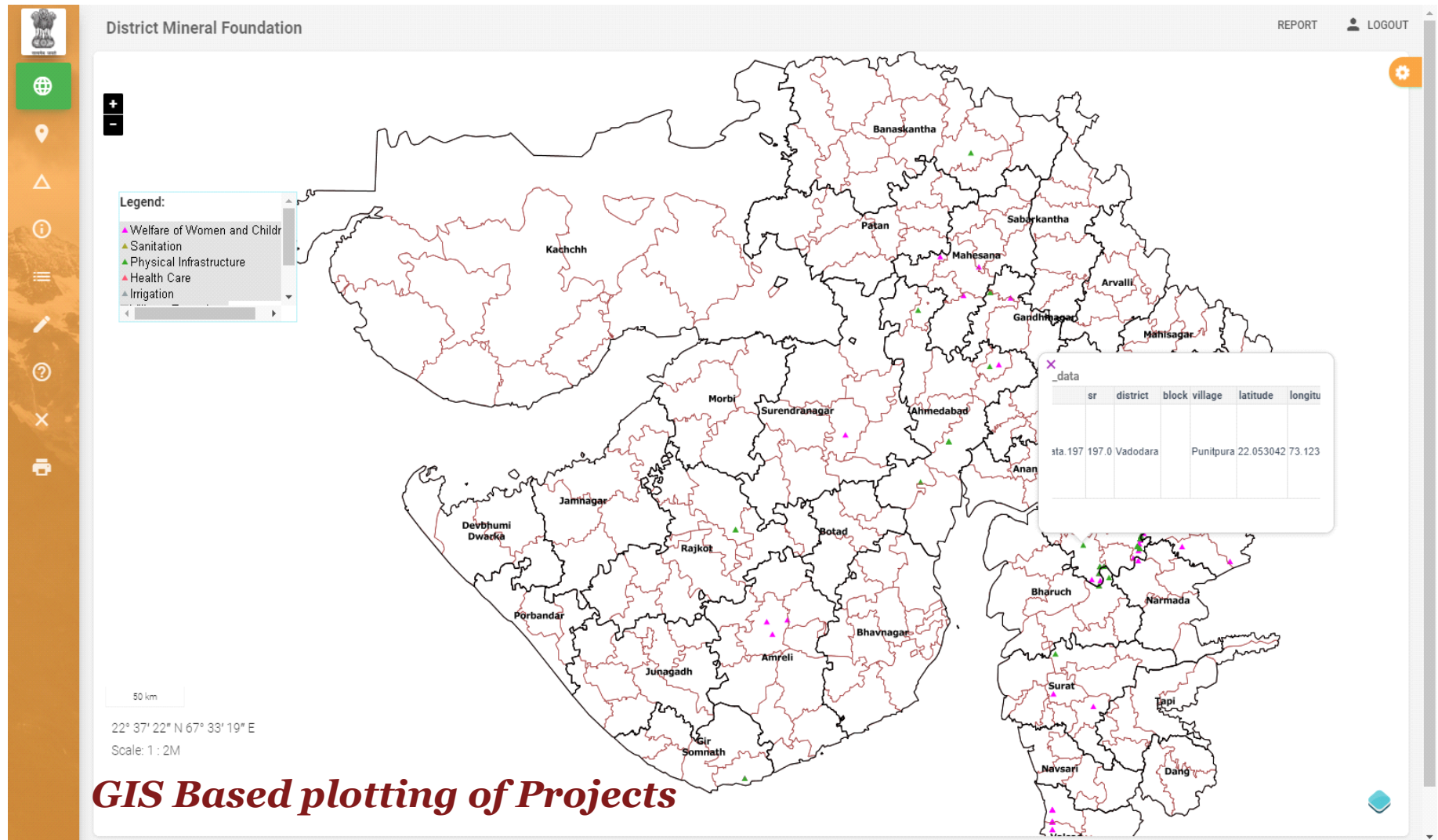
Web based Accounting and Projects MIS System for generating various Reporting format and Data for analysis.

Geo-tagging of Sector-wise Project location up to Village level – District/Taluka/Gram Panchayat/Village

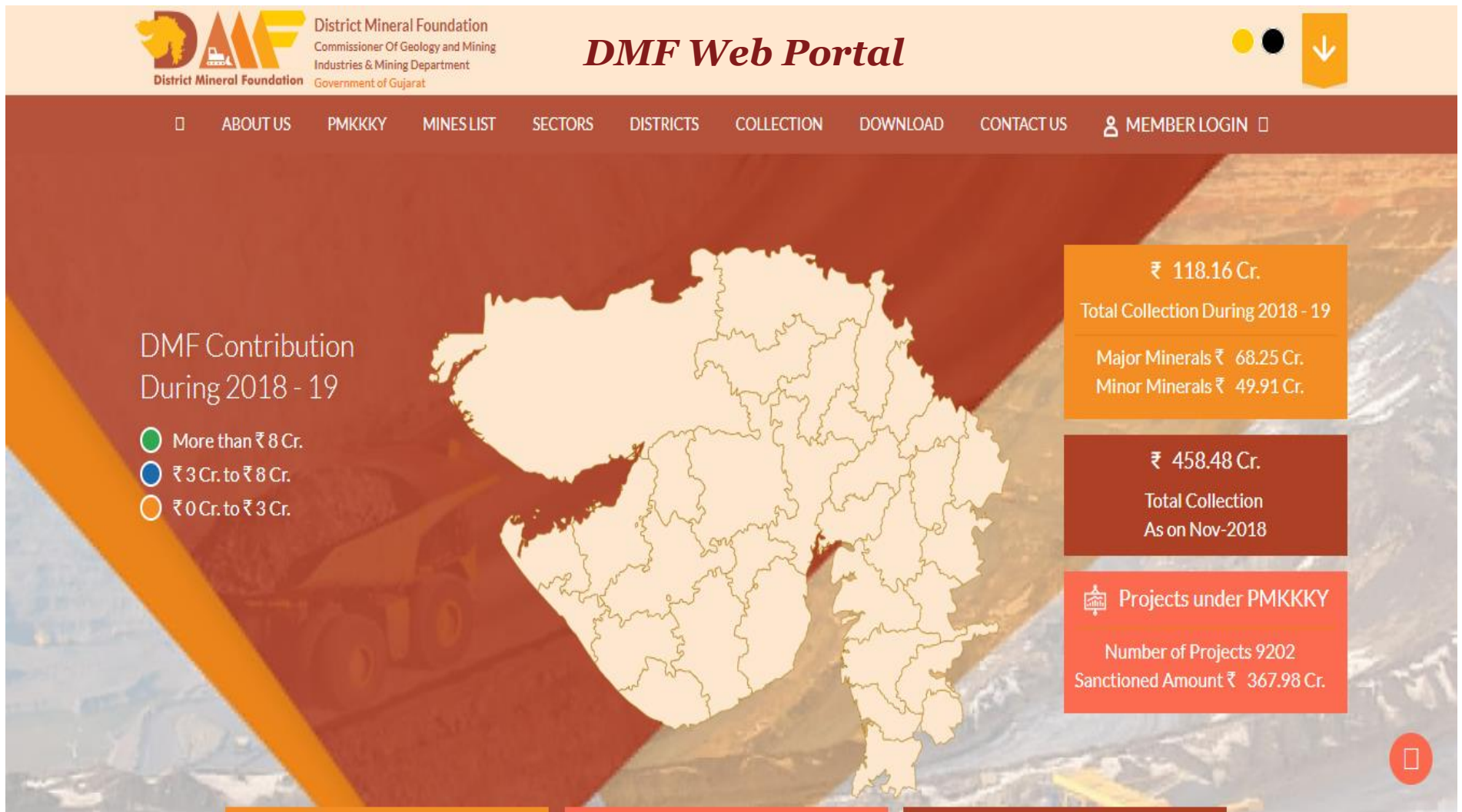
District-Wise Mining Lease, Royalty Collection & DMF Collection details on the portal

Integration of DMF Portal with the MTS National Portal in order to **avoid dual entries** of data on Portal.

Transparency- Dynamic Web Portal : Gujarat Experience



Transparency- Dynamic Web Portal : Gujarat Experience



Transparency- Audit and Supervision: Rule 5: Compliances of Transparency

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

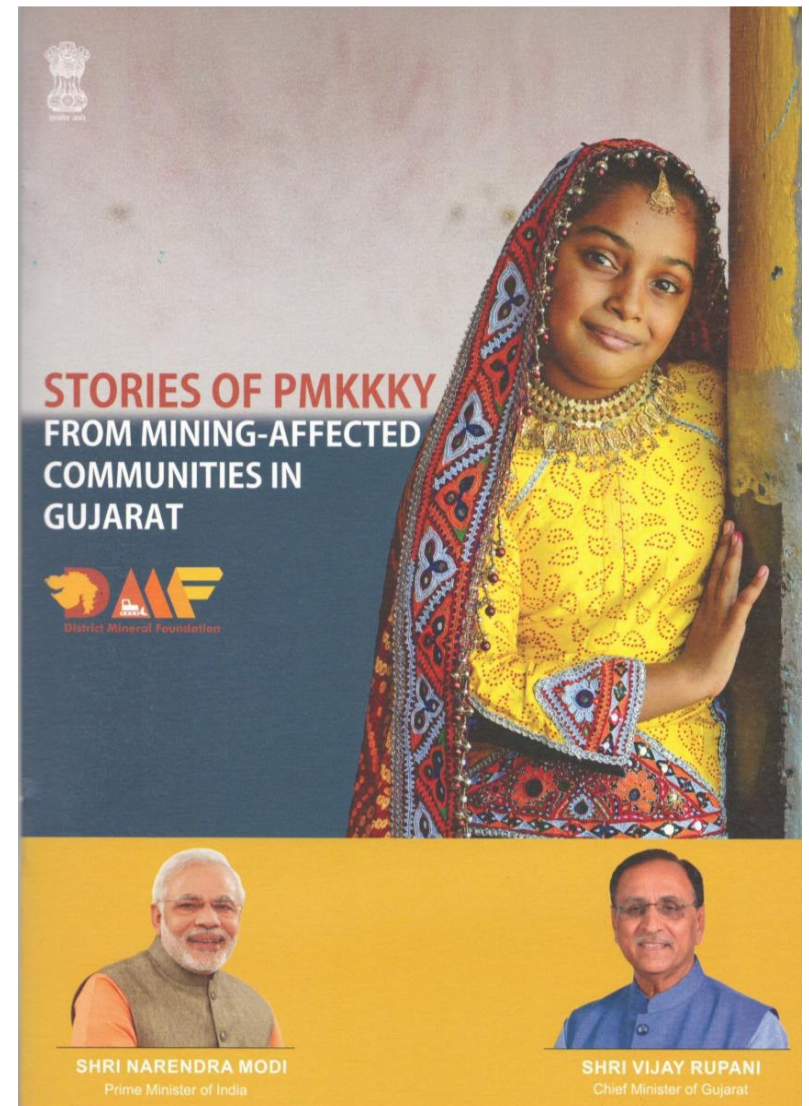
Ways and Means to improve

Notification	Rule	Description of Rule to be altered	Suggestions
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	<p>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:</p> <ul style="list-style-type: none">• 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.**

Government of Gujarat made **rules for District Mineral Foundations** in the state of Gujarat to regulate the composition, functions and manner of workings of the District Mineral Foundation effective dated **1st April, 2016.**

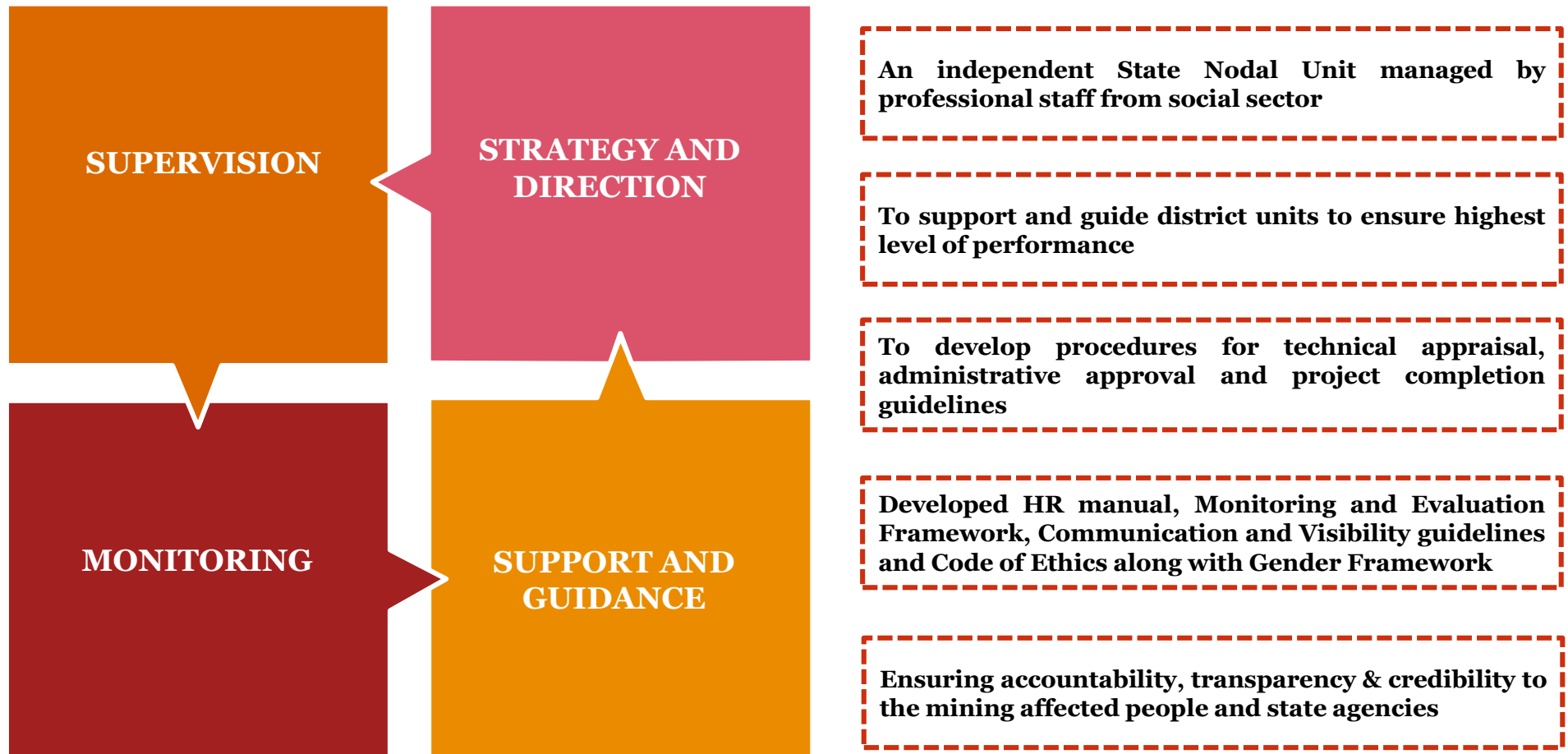


10% of the royalty paid for Minor Minerals fixed as the contribution to the DMF.

Industries 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)

Administrative Structure: Gujarat Experience



Projects under the District DMF Units

Priority Sectors	Types of Projects
High Priority Areas	
Drinking Water	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
Sanitation	Projects on sewage and drainage system, Tricycle Dustbin, Provision of toilet Blocks in Anganwadi, Door to Door Garbage Collection, Dustbin for solid waste collection
Skill Development	Livelihood and Capacity Building Program, trainings for sewing, candle making, embroidery and stitching, etc. to women, fire safety training for unemployed youths.
Health care	Procurement of health equipment in hospitals, Room for PHC and SC centres in villages, medical camp and Mobile Health Unit
Education	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

Outcome Oriented Projects by District DMF Units: Gujarat Experience

Priority Sectors	Types of Projects
High Priority Areas	
Welfare of Women and Children	Modern Anganwadi (including centres for playing equipment), Poshan Vahini Project in Anganwadi, Sanitary Pad Distribution for Girls, MAMTA Kit
Welfare of Aged and Disable People	-
Environment Preservation and Pollution Control Measures	Tree Plantation
Other Priority Areas	
Physical Infrastructure	Construction of road and waterways and building for cultural activities, CC Road, Paver Block, Community hall, Low level Bridge
Irrigation	Development of alternate irrigation scheme, desilting and deepening of irrigation dam, check dams
Energy and watershed Development	Protection wall for storage tank, rain water harvesting system work, Solar Roof Top, Solar Street Lights
Any Other Measure for enhancing Environmental Quality in mining District	Biogas plant unit

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



District Mineral Foundation

**Developed Standard of Procedures (SOP)
guidelines for communication 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**

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

**Regularly updating the dynamic
website with latest information**