



# District Mineral Foundation Scheme

## Why in News?

Odisha's Keonjhar district is **India's highest recipient of funds under the District Mineral Foundation (DMF) scheme**, and has spent ₹3,000 crore under the scheme over the past seven years.

- Keonjhar is **hugely rich in mineral reserves**, especially iron ore. The district has **2,555 million tonnes of iron ore** available beneath its soil, of which **approximately 50 million tonnes is extracted each year**, a key driver of Odisha's economy.

## What is DMF Scheme?

- **About:**
  - As per the **Mine and Minerals Development Regulation (Amendment) Act, 2015**, in every district affected by mining-related operations, the state government shall, by notification, **establish a trust as a non-profit body** to be called the **District Mineral Foundation**.
- **DMF Funds:**
  - Funds every **mining lease holder of will pay a fraction of royalty, not exceeding one-third of the royalty**, to the DMF as per rates prescribed by Central Government.
  - This fund will be **used for welfare of the people affected in the mining affected areas**.
    - **In Keonjhar, the total DMF fund collection** has touched an astounding **₹8,840 crore, the highest for any district in India**.
- **Objective:**
  - The idea behind the contribution is that local mining-affected communities, **mostly tribal and among the poorest** in the country, also **have the right to benefit from natural resources extracted from where they live**.
- **Functioning:**
  - The functioning of the DMF trusts and the fund use governed by states' DMF Rules incorporate the mandates of a **central guideline, Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)**.

## What is PMKKKY?

- **About:**
  - It is a scheme by the **Ministry of Mines** for the welfare of people & affected areas by using the funds accrued under District Mineral Foundation (DMF).
- **Objectives:**
  - To **implement various developmental and welfare projects/programs in mining affected areas** that complement the existing ongoing schemes/projects of State and Central Government.
  - To **minimize/mitigate the adverse impacts, during and after mining**, on the environment, health and socio-economics of people in mining districts.
  - To ensure **long-term sustainable livelihoods** for the affected people in mining areas.
- **Implementation:**
  - At least **60% the fund will be utilized for "High Priority Areas"** like Drinking water

- supply, Environment preservation & pollution control measure, Health care, Education, etc.
- **Rest of the fund** will be utilized for "**Other Priority Areas**", such as Physical infrastructure, Irrigation, Energy & watershed development and Measures for enhancing environmental quality.

## UPSC Civil Services Examination, Previous Years Question (PYQ)

**Q. What is/are the purpose/purposes of 'District Mineral Foundations' in India? (2016)**

1. Promoting mineral exploration activities in mineral-rich districts
2. Protecting the interests of the persons affected by mining operations
3. Authorizing State Governments to issue licences for mineral exploration

**Select the correct answer using the code given below:**

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

**Ans: (b)**

**Source: TH**

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