



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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