



## District Mineral Foundation Trust Funds

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### Why in News

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Dhanbad (Jharkhand) Deputy Commissioner has ordered an audit and an impact assessment of utilisation of funds from the **District Mineral Foundation Trust (DMFT)** for the financial years 2017-2020.

### Key Points

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- **Statutory Provision:** 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**.
- **DMFT Funds:** Mining companies contribute **10-30% on the royalty** amount that they pay to the government to DMF Trust in the district they are operating in.
- **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**.
- **Status:** DMFs have been set-up in **572 districts of the country**, with a cumulative accrual of **more than Rs. 40,000 crore** so far as per Ministry of Mines (MoM) data.
- **Linked with PMKKKY:** 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)** that specifies high priority areas of investments.

### Pradhan Mantri Khanij Kshetra Kalyan Yojana

- **Nodal Ministry:** PMKKKY 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.

**Source: IE**