

# DISTRICT MINERAL FOUNDATION (DMF)



**Mining related operations largely affect less developed and very remote areas of the country, and vulnerable sections of the population, especially Scheduled Tribes.**

Therefore, it is especially necessary that special care and attention is devoted, in an organized and structured manner so as to ensure that these areas and affected persons are benefitted by the mineral wealth in their regions and are empowered to improve their standard of living. It is with this objective that District Mineral Foundation was conceptualized as a statutory entity under the Mines and Minerals (Development & Regulation) Act 1957.

Under the provisions of sub-section (1) of section 9(B) of the MMDR Act 1957, State Governments are mandated to set up District Mineral Foundations in every district where any kind of mining activities takes place. These are trusts set up as a non-profit body for socio-economic development & livelihood support of people residing in mining affected districts. In Odisha, all 30 districts of the State have been covered by DMF.

Every holder of a mining lease or prospecting license-cum-mining lease needs to contribute to DMF in addition to the chargeable royalty. The funds accumulated in the DMF are utilized by the State for targeted interventions in areas such as education, health, roads, drinking water and environment protection. Through this, the State aims to mainstream people from lower strata of society, tribals and forest-dwellers. While administration of DMF is the responsibility of a State Government, the rates of contribution to DMF are set by the Central Government.

## Challenges

DMF funds are extra budgetary resources for the State Government. Since states seek to converge DMF funds with other schemes, visibility in utilization of funds is paramount. In the absence of such transparency, DMF funds lie unutilized across major states in India. As reported on January 2019, 23606 Cr INR has been collected out of which only 24% has been utilized so far. In order to address this gap, the Central Government under the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKY) has mandated states to maintain complete transparency in utilization of DMF funds and provide periodic reports.

## Solution

The Online DMF portal developed by CSM enables State Governments to achieve complete transparency in management and utilization of DMF funds for the holistic development of people in mining affected areas. The details captured through this portal include:

### > Details of composition of DMF / bodies of DMF

- Individual Districts have their own DMF portal
- Board of Trustee along with Executive Members information like name, designation, contact no. and photo etc. are available in District DMF portal

### > List of areas and people affected by mining

- Block/GP/Village wise population count (directly or indirectly affected) is captured

### > Quarterly details of all contributions received from lessees and others.

- Major Minerals: Collection data captured from i3MS portal (another end to end mining automation solution developed by CSM Technologies)
- Minor Minerals: Collection data fed by the official at District level (like Tahsildar, PD, DRDA etc.)
- Others: Provision is there for collection from Arrear, Bank Interest, individual volunteer and NGO

### > All meeting agenda, minutes and action taken reports (ATRs) of the DMF.

- Provision to upload document(s) regarding any meetings at District Collector office or Gram Sabha

### > Online monitoring of status of ongoing projects under DMF

- District wise project information is available in the portal.
- The priority of projects undertaken in a focus sector can be tagged as "High"
- Provision to capture financial and physical progress of a project. Tendering or departmental information against a project is also captured.
- Allocation, fund release, management of expenditures, uploading Utilization Certificate & Hand Over Certificate, inspection across project lifecycle can be managed through the portal.
- Work orders awarded to agencies like BDO, CDPO, RW (PH), DFO etc. by the Work Executor under a particular project can be managed.

The DMF portal is an informative, interactive and easy-to-use Web Application. The status of community welfare projects undertaken can be clearly monitored on this portal. This enforces accountability on respective departments to plan, manage and utilize DMF funds efficiently.

## Modules

- > Administrative Console
- > Trustees and Committees Management
- > Lessees' Monitoring
- > Collections and Receipts Tracking and Monitoring
- > Arrears Reconciliation
- > MIS and Reporting
- > Fixed and Flexi-Deposits Monitoring
- > Work Executors Management
- > Work Detail Monitoring
- > Mobile based Inspection and Reporting
- > Payments and Expenditures Monitoring

## Post Scenario

The DMF portal has brought a sea change in managing and maintaining transparency in the social responsibility of miners. The portal provides utmost transparency in collection and utilization of DMF funds. It shows district wise collection of funds and the utility of funds in which sector thus, making the financial spreadsheet of utilization of funds open to all stake holders. The portal also displays the correspondence between the district collector and concerned PRI meetings to registered users.

By Oct, 2019, an amount of Rs 8729.09 crores has been collected from the 30 districts to be spent in covering 9337 welfare schemes.



CSM Technologies is a pioneering GovTech organization that harnesses the power of existing and emerging technologies to provide solutions with tangible impact on efficiency of governance and quality of citizens' lives.

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