



**KAMARAJ IAS ACADEMY**  
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# Pradhan Mantri Khanij Kshetra Kalyan Yojna

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## Why is in news? Allocations Under the PMKKKY

There is no provision for budgetary allocation from Central Government or State Governments to the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY).

The various projects taken up under Pradhan Mantri Khanij Kshetra Kalyan Yojna (PMKKKY) are funded through the funds accrued under District Mineral Foundation Trust (DMF).

Further, **Section 9B of the MMDR Act, 1957** prescribes the establishment of District Mineral Foundation (DMF) **in any district affected by mining-related operations**, the objective of which is to work for the interest and benefit of persons, and areas affected by mining related operations in such manner as prescribed by the State Governments.

DMF is **funded by statutory contributions** received from the holders of mining leases in terms of the fixed percentage of royalty prescribed by the Central Government.

## Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY):

This programme meant to **provide for the welfare of areas and people affected by mining related operations.**

The most productive mining areas in the country are largely areas **inhabited by scheduled tribes**. They also are **mainly located** in the areas covered by the **Fifth Schedule of the Constitution**.

The PMKKKY is, therefore, very sharply focused on safeguarding the health, environment and economic conditions of the tribals and providing them with opportunities to benefit from the vast mineral resources that are extracted from the areas where they live.

## Objectives:

to implement various developmental and welfare projects/programs in mining affected areas, and these projects/programs will be complementing 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; and

to ensure long-term sustainable livelihoods for the affected people in mining areas.

## Implementation

The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) will be **implemented by the District Mineral Foundations (DMFs)** of the respective districts using the funds accruing to the DMF.

The **Mines and Minerals (Development & Regulation) Amendment Act, 2015**, mandated the setting up of District Mineral Foundations (DMFs) in all districts in the country affected by mining related operations.

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The **Central Government** has notified the rates of contribution **payable by miners to the DMFs**.

In case of all mining leases executed **before 12th January, 2015** (the date of coming into force of the Amendment Act) miners **will have to contribute an amount equal to 30% of the royalty payable by them** to the DMFs. Where mining leases are **granted after 12.01.2015**, the **rate of contribution would be 10%** of the royalty payable.

**At least 60% of PMKKKY funds to be utilized for High priority areas** such as Drinking water supply, Health care, Education, Environment preservation etc.

Up to 40% of the PMKKKY to be utilized for other priority areas such as- Physical infrastructure, Irrigation, Energy and Watershed Development etc.

Using the funds generated by this contribution, the DMFs are expected to implement the PMKKKY.

The Central Government has issued a directive to the State Governments, under Section 20A of the MMDR Act, 1957, laying down the guidelines for implementation of PMKKKY and directing the States to incorporate the same in the rules framed by them for the DMFs.