

**Guidelines for release and utilization of grants under proviso 1 of Article 275 (1) of the Constitution of India.**

In the changed scenario of globalization and liberalization of the national economy, it becomes all the more critical that the comparative vulnerability of the ST population is addressed in a more focused and integrated manner. In view of the human development indices of the tribal population being lower than the rest of the population and the infrastructure in the tribal areas not being at par with others, it is necessary to dovetail and direct resources in a synergetic manner to bridge the gap in infrastructure in critical areas so that capacity of the economy in tribal areas to meaningfully and effectively absorb funds is substantially enhanced. In super cession of the circulars/letters/guidelines issued earlier on the subject mentioned above, the following guidelines are hereby framed for utilization of grants released to the State Governments under proviso 1 of Article 275(1) of the Constitution of India.

i) Grants under Article 275(1) will be an additionally to Normal Central Assistance (NCA) to State Plans to meet the cost of such schemes/projects as may be undertaken by the States and approved by the Ministry of Tribal Affairs for the purpose of the welfare and development of the Scheduled Tribes or rising the level of administration of the Scheduled Areas.

ii) The grants will essentially be used for creation and up gradation of critical infrastructure required to bring the tribal areas at par with the rest of the country. The infrastructure will be upgraded so as to enhance capacity of the economy in tribal areas to meaningfully and more effectively absorb funds, including institutional finance and thereby create opportunities conducive to income and employment generation. Due emphasis will be given to infrastructure in the sectors critical to enhancement of human development indices such as in health, education, income generation, etc.

iii) The specific projects/schemes along with physical and financial plans showing sector-wise and year-wise phasing of activities for funding under Article 275(1) should form an integral part of the overall TSP and, therefore, be prepared along with the Annual Plan of the State. The entire TSP of each of the State would be discussed and approved by the Ministry, preferably at the time of finalization of the Annual Plan of the State. The flow of funds under Article 275(1) to the relevant sectors in each of the State would be determined and approved accordingly.

iv) Peoples' participation is the central thread around which the entire fabric of tribal development is to be woven. The approach towards tribal development should, therefore, should ensure harnessing this extra-ordinary strength of community living/participation inherited and inculcated by the tribal population.

While planning and implementing the schemes out of the grants under Article 275(1), due regard should be given to the provisions of The Panchayats Act, 1992 and of The Panchayats (Extension to the Scheduled Areas) Act, 1996.

v) Adoption of an integrated and holistic approach for preparing micro plans for ITDP/MADA/Clusters through multidisciplinary teams is sine qua-non-for effective targeting of the projects/schemes. The long-term micro-plans, showing year-wise and sector-wise physical and financial components, should earmark the funds flowing from the State Plan, SCA, Article 275(1) and under various Central Sector/Centrally Sponsored Schemes of different Ministries of the Central Government.

vi) Each State, Region, ITDA, MADA and Cluster requires a specific plan, based on the felt local needs such as low literacy, poor health services, critical gaps in sectors like irrigation, roads, bridges, electricity, technical/vocational institutes, forests, sports promotion, etc. Efforts should, therefore, be made to identify thrust areas for each ITDA, MADA and Cluster and on that basis for the region or the State, as a whole.

vii) The thrust areas so identified should form central theme of the planning and specific projects accordingly prepared. Attempts should be made to dovetail resources available so as to ensure perceptible changes in the tribal areas as against the practice of spreading resources too thin under sectoral programmes in a disintegrated fashion.

viii) Expenditure on items recurring in nature is strictly prohibited. However, an amount maximum up to 2% of the Grant may be used for project management, training, MIS, administrative expenses and monitoring and evaluation.

ix) The concerns/issues effecting women should occupy central position in preparation of the projects/schemes, including the involvement of women right from planning to the implementation stage. The projects should be so planned that substantial benefits, at least 30% in proportion, are targeted for women.

x) It has been observed that the Finance or the Planning Departments of various States often take a long time in release of funds to the implementing agencies, thereby defeating the very purpose of adopting a project approach. The release of funds by the Ministry would, therefore, be strictly linked to the actual performance in the implementation of the schemes, including timely submission of utilization certificate.

xi) On the basis of ITDA-wise integrated plans prepared through micro-planning, projects can be taken up to bridge the gap in infrastructure in critical areas such as education, health, SSIs, forests, forest villages, drinking water, electrification,

communication, rural marketing, agriculture, animal husbandry, sports promotion, food processing, processing of MFPS, human resource development in technical and vocational spheres, water harvesting, resettlement of displaced persons, tribal land management, etc. Needless to add, only those projects will be approved which fulfill the broad parameters as enumerated in these guidelines and are normally not specifically taken up under the State Plan or other schemes of different Ministries of the Government of India. The maintenance of infrastructure maximum up to 10% of the entitlement of the State would also be permissible, subject to prior approval of the Ministry on the proposal.

xii) The initiative for imparting quality education to the tribal students through 82 Model Residential Schools started in the IXth Five Year Plan Period would be continued as far as establishment of these schools are concerned and proportionate recurring and non-recurring grants will continue to be provided as per the existing norms. The other academic institutions with similar objectives such as Navodaya Vidhyalays would also be supported, if such Vidhyalays are set up for tribal students.

xiii) The TSP component of various departments/sectors under the State Plan should be put in a different Demand Head in the budget of the Tribal Development Department of the State. An amount equivalent to 10% of the total allocation under Article 275(1) will be earmarked and retained at the Ministry's level. This amount will further be allocated for innovative projects amongst only those States, who adopt the TSP approach in letter and in spirit by ensuring that the entire TSP funds, at least in equal proportion to the population of tribals in the State, are placed in one budget head under the administrative control of the Tribal Development Department of the State Government for more integrated and focused planning and implementation of projects/schemes. This 10% earmarked fund will be used as an instrument to bring about changes in the institutional framework for adoption of TSP and be allocated only amongst the States actually releasing, in the previous financial year, at least more than 75% of the approved Tribal Sub-Plan funds to the implementing agencies through the budget head of the Tribal Development Department of the State. In case of the tribal majority States, utilization of 75% of the grants released under the Central Sector Schemes of this Ministry would qualify for consideration of innovative projects.

xiv) The remaining 90% of the funds will be allocated amongst the States on the basis of the ST population in each State as a percentage to the total tribal population of the country.

