

MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (MPLADS)

Background

11.1 The Members of Parliament are often approached by their constituents for taking up small developmental works of capital nature in their respective constituencies. The Members of Parliament, therefore, demanded that they should be able to recommend works to be done in their respective constituencies. After considering their suggestions, the Members of Parliament Local Area Development Scheme was announced in the Parliament on 23rd December, 1993 by the Prime Minister. The normal mechanism of planning is governed by a set of administrative guidelines with regard to cost norms, resource allocation and prioritization of works to be undertaken. Consequently, it is not always possible to take care of some of the felt needs of the people in all circumstances. It was with a view to bridging this gap and providing certain degree of flexibility to the planning process for meeting the felt needs of the people that the scheme was thought of.

11.2 The Scheme was initially administered by the Ministry of Rural Development. The subject was later on transferred to the Department of Programme Implementation, Ministry of Planning and Programme Implementation, (now known as Ministry of Statistics & Programme Implementation), with effect from October, 1994.

Objective

11.3 Under this Scheme, each Member of Parliament will have a choice to suggest to the Head of the District works to the tune of Rs. 2 crores per year, to be taken up in his/her constituency. Elected Members of Rajya Sabha, representing the whole of the State as they do, may select works for implementation in one or more district(s) as they may choose. Nominated Members of the Lok Sabha and Rajya Sabha may also select works for implementation in one or more district(s) anywhere in the country. The salient features of the Scheme are:-

- (a) The works under the Scheme shall be developmental in nature, based on the locally felt needs, which may lead to creation of durable assets.
- (b) Office buildings, residential buildings and other buildings, relating to Central or State Governments, Departments, Agencies or Organisations are not permitted.
- (c) Purchase of inventory or stock of any type is not allowed under this Scheme.
- (d) Repair and maintenance works are not permitted.
- (e) The funds released under the Scheme are non-lapsable.
- (f) The normal financial and audit procedures would apply to all transactions under the Scheme.
- (g) Ideally, it would be desirable that the MPs suggest individual works costing not more than Rs. 25 lakhs per work.
- (h) Funds can be used for partly meeting the cost of larger works.
- (i) As far as possible all sanctions for works be accorded within 45 days after these are recommended by the Hon'ble MPs.
- (j) Decision making for technical and administrative sanction should be only at district level and for the purpose of implementing the Scheme, full and final powers should be delegated to the district technical and administrative functionaries.
- (k) Implementing agencies may not collect any administrative charges, centage charges, etc., for their services.
- (l) Allocation of MPLADS funds under the Scheme is for the constituency.
- (m) Whenever there is a change in the Member of Parliament(MP), the works identified by the predecessor MP which are under execution should be completed. Also works identified by the predecessor MP pending sanction due to administrative reasons beyond a period of 45 days from the day of recommendation by the MP are also to be executed. Remaining unsanctioned works pending for less than 45 days to be executed subject to the confirmation by the successor MP.
- (n) The district heads should furnish monitoring reports to the MPs and the Ministry of Statistics & Programme Implementation.

11.4 Detailed Guidelines indicating the objectives of the Scheme, salient features of the Scheme, list of works that may be taken up, works which shall not be allowed under the Scheme, procedures for sanction and execution of works, monitoring arrangements and release of funds were issued in February' 1994 by the Ministry of Rural Development. After the Scheme was transferred to this Ministry, revised Guidelines were issued in December' 1994. The Guidelines were further revised in February' 1997. On the suggestions of MPs, amendments to the Guidelines were carried out from time to time. These amendments were incorporated and a new edition of the Guidelines was issued in September' 1999.

11.5 The Guidelines on MPLADS were further amended in May' 2000, with a view to enlarge the scope of the MPLAD Scheme. The following amendments to September' 1999 Guidelines on MPLAD Scheme were effected:-

- (i) Release of MPLADS funds in two instalments instead of four instalments i.e., per year allocation of Rs. 2 crores will be released in two instalments of Rs. 1 crore each.
- (ii) The provisions contained in para 1.2 of the Guidelines regarding nominated Members were amended to allow Nominated Members of Lok Sabha & Rajya Sabha to select the works for implementation in one or more district anywhere in the country.
- (iii) A new provision vide para 1.3 to the Guidelines was added to enable the MPs to recommend works outside their Constituencies/States for an amount not exceeding Rs. 10 lakhs per annum for construction of assets that are permissible in the Guidelines, for rehabilitation measures in the event of a natural calamity of rare severity in any part of the country.
- (iv) The provisions contained in para 4.1 of the Guidelines were amended to increase the limit of Rs. 10 lakhs per work to Rs. 25 lakhs per work.
- (v) The provisions contained in para 5.7 of the Guidelines relating to training of MPs and District officials by the Bureau for Parliamentary Studies and Training (BPST) was amended. According to the new provisions, the State Government concerned are to make arrangements for training of District Officials concerned for the implementation of MPLAD Scheme. In the light of experience gained in the functioning and performance of the District Officials, corrective measures to be incorporated by the States in their training programmes to improve deficiencies observed in the implementation of the Scheme.
- (vi) The provisions contained in para 6.1 of the Guidelines were amended requiring erection of Sign Boards permanently and prominently at the sites of MPLADS works, in order that local people become aware that particular works have been executed with MPLADS funds.

11.6 In addition to the permissible works already covered under MPLADS, the following works have been included in May' 2000 in the illustrative list of works appearing in Appendix 1, (vide Sr. No. 26 & 27 respectively) of the Guidelines on the Scheme:-

- (i) "26. Purchase of Audio Visual Aids of educational nature for Government, Government-aided and also unaided but Government recognised educational institutions provided there is proper place and proper provisions for safe custody of these aids."
- (ii) "27. Purchase of Night Soil Disposal System for local bodies."

11.7 Initiative to Streamline the Scheme:

- (i) The existing instructions to sanction all the works recommended by the MPs to the extent of their entitlement of MPLADS funds, without waiting for receipt of funds from the Ministry and to send expenditure report in the prescribed format, so that funds can be released by the Ministry to the fullest extent, were reiterated to all DCs, with a view to speed up the implementation of works recommended by the MPs and improve utilisation of funds.
- (ii) All the State Governments were requested to issue suitable instructions to all DCs/DMs on the following:
 - (a) To quickly process the works recommended by the MPs and accord administrative and financial sanction within 45 days.
 - (b) To issue instructions to all concerned that the amount released under MPLADS, is quickly spent for the purpose for which it was sanctioned.
 - (c) To furnish monthly expenditure reports in the required format for expeditious release of funds by the Ministry.
 - (d) To have an effective monitoring system at the State/UT level and to ensure that works recommended by MPs are being sanctioned quickly and that amount released, under MPLADS, is being quickly spent for the purpose for which it was sanctioned.

Recent Decisions

11.8 (i) Replacing condition of transfer of land:

For construction of assets wherever permissible for non-Government organisations, under the Scheme, the organisation had to transfer/surrender the land to the Government. It was pointed out that in many cases transfer/surrender of land to the Government was not possible. Keeping in view the request from the MPs, it has been decided to replace the provisions contained in Para 2.6 of the Guidelines by the conditions that sale/transfer/disposal of the assets created out of MPLADS funds shall not be undertaken without the prior approval of the Government. The maintenance and upkeep of the assets so created will have to be ensured by the beneficiary organisation and will be subjected to periodical audit and inspection by the Government. The beneficiary organisation other than Government must enter into a formal agreement, in advance, in this regard.

(ii) Allowing works belonging to Registered Societies & Trusts:

Suggestions had been received to allow works belonging to registered societies and trusts. It has been decided to allow construction of assets for registered societies and trusts subject to the conditions laid down in para 2.6 and subject to further conditions that the beneficiary organisations engaged in social/welfare activity shall be in existence at least for the 3 years and should be well established and reputed one.

(iii) Construction of Boundary Wall:

Some MPs had requested for inclusion of construction of boundary wall in the Illustrative List of Works in the Guidelines for taking up works under MPLADS. Construction of boundary wall around Government Educational institutions and cremation grounds had been allowed in the past. It has been decided to issue clarification that wherever construction of building and durable assets are permitted in the Guidelines, the boundary walls can also be constructed. The construction of boundary walls in respect of non-Government institutions will be subject to condition laid down in Para 2.6 of the Guidelines.

Fund Released

11.9 As the Scheme was announced in December' 1993 only a token amount of Rs. 5 lakhs per Member of Parliament was released by the then Ministry of Rural Development for the year 1993-94. These funds were released to the State Governments. The nominated Members of the Parliament were not covered in the release for this year.

11.10 The Ministry of Rural Development released Rs. 1 crore per Member of Parliament (MP) directly to the Collectors for the year 1994-95. Funds for this year were released in respect of the nominated Members also. This Ministry released funds for the year 1995-96 to 1997-98 @ Rs. 1 crore per MP per year. The release for 1997-98 was subject to previous progress.

11.11 The allocation from the year 1998-99 was increased to Rs. 2 crore per year per MP.

11.12 So far, the following funds have been released under the Scheme.

Year	Money released/to be released per MP	Total funds released to the Collectors
93-94	5 lakhs	37.8 crores
94-95	1 crore	771.0 crores
95-96	1 crore	763.0 crores
96-97	1 crore	778.0 crores
97-98	1 crore	488.0 crores (Including Rs. 4.5 crores pertaining to 96-97)
98-99	2 crore	789.5 crores (Including Rs. 237.5 crores released for the year 97-98)
99-2000	2 crore	987.0 crores (Including Rs. 36.0 crores for 97-98 and Rs. 652.5 crores for 98-99 and the balance of Rs. 298.5 crores for the current financial year)
2000-01	2 crore	1580 crores (including Rs. 4 crores for 97-98, Rs. 188.8 crores for 98-99, Rs. 706.7 crores for 99-2000 and Rs. 677.10 crores for 2000-01 and Rs. 3.4 crores for Orissa Relief)

Amount Spent Under MPLADS

11.13 Information received from District Authorities upto 31st December' 2000 regarding the expenditure incurred on the works under MPLADS shows that a total of Rs. 4200.98 crores have actually been spent against the release of Rs. 6594.40 crores which comes to about 63.66% of the funds released.

11.14 Statements indicating the releases made to the District Collectors and the actual expenditure incurred State-wise, Lok Sabha MPs-wise as well as Rajya Sabha MPs-wise are given in **Annexure-XX**.

11.15 The progress of expenditure under this Scheme remained rather slow upto 1994-95 for various reasons. It gained momentum in 1995-96. The decision to release funds to only those MPs having unsanctioned balance of less than Rs. 100 lakhs further improved the utilisation.

Implementation and Monitoring

11.16 (i) The District Collectors are responsible for the coordination and overall supervision of the works under the Scheme at the district level. The Ministry of Statistics & Programme Implementation, Government of India, has the nodal responsibility for the Scheme at the Centre.

- (ii) For effective implementation of the works, each State Government/UT Administration is required to designate one nodal department for physical monitoring through field inspection and for coordination with the Ministry of Statistics & Programme Implementation. The revised Guidelines specify the nature of monitoring and inspection of MPLADS works required to be undertaken by the district Head, officers of the District at Sub-division and block levels and stipulate the requirement of annual meetings at State Headquarters by the Chief Secretary or in his absence a Senior Principal Secretary/Additional Chief Secretary to assess the progress of works under the Scheme.
- (iii) A meeting was held in Kolkatta by MOS(S&PI) during November' 2000 to review the progress of MPLADS in West Bengal.

Evaluation of the Scheme

11.17 The Programme Evaluation Organisation (PEO) of the Planning Commission has undertaken the evaluation of the MPLAD Scheme. They are likely to submit the report in April' 2001.

Impact of the Scheme

11.18 The Scheme has made a good impact on the development of various areas all over the country. Works of different varieties have come up for the benefit of general public at large. These works include construction of school buildings, libraries, provisions of drinking water by digging tubewells, installation of hand pumps, construction of village roads, small bridges, sports stadia, community centres, crematoria and boundary walls around them, public toilets, drains, footpaths, bus stops and provision of electricity in rural areas, construction of school buildings in remote areas and making provision of drinking water has fulfilled the basic requirements of the inhabitants of remote areas to some extent. Implementation of electronic schemes at various places, especially the installation of computers in schools has been of great help to the student community.